The Financial Times, September 5, 1975

FINANCIAL TIMES

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NEWS SUMMARY

GENERAL

Yard hunts girl bomber

As three men were last night still helping police investigating the bomb attacks in London and Caterham, Surrey, where an army pub was blasted last week, Scotland Yard launched a vast hunt for a pretty 21-year-old blue-eyed Irish brunette terrorist.

Scotland Yard, taking the unusual step of naming Miss Ellen Mary Margaret McKearney of Tyrone and stating her mission as that of carrying explosives and money from Ireland to IRA bombers, issued a photograph.

In a statement the Yard described the girl as "probably the most dangerous and active woman terrorist operating over here."

The cameraman who took the photograph is understood to work for Scotland Yard's new C 11 criminal investigation unit. At the risk of his life he pictured the girl coming out of a *bar in the Irish Republic.*

More troops

Meanwhile, following talks between Mr. Harold Wilson, Prime Minister and Mr. Merlyn Rees, *Ulster Secretary*, at 10 Downing Street yesterday, Mr. Rees is to-day to make an important statement announcing tough new security measures in Northern Ireland. Release of suspected terrorists is expected *to be stopped.*

Last night the army announced that an extra 650 troops were already on their way to Ulster as reinforcements in the battle against sectarian violence.

Paisley threat

In Belfast last night the Rev. Ian Paisley, whose Democratic Unionists have 12 of the 78 seats, threatened to force an adjournment of the Convention *until Mr. Merlyn Rees*, Ulster Secretary, acted to improve the security situation.

In Westminster, Mr. Nicholas Winterton, Conservative MP for Macclesfield called for an end to the bipartisan approach to Ulster.

At *Blackpool*, Mr. Ray Buckton of the Locomen asked the TUC to make fresh efforts to encourage a solution to the Northern Ireland conflict. **Back, Page 8 and Page 9**

Soviets boycott Geneva signing of Mideast pact

Egypt and Israel yesterday signed the interim Sinai agreement negotiated by Dr. Henry Kissinger, *U.S. Secretary of State*. The Soviet Union underlined its disapproval of the terms by boycotting the formal Geneva ceremony. The U.S. also stayed away.

In Cairo, President Sadat attacked Arab world critics of *the pact*. *In Washington*, President Ford and Dr. Kissinger began the delicate task of persuading Congress to approve the terms of the agreement.
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RAAF transport hijacked in Timor

A Royal Australian Air Force transport, operating for the International Red Cross and marked with Red Cross insignia, was *hijacked at Bacau in Portuguese* Timor last night and its crew forced by armed men to fly 48 Timorese to Darwin. Further relief flights from Australia to Timor were suspended. **Portugal news and feature, Page 6**

Bail refused

The three men accused of conspiring to damage the Headingley Test match wicket were yesterday refused bail by a High Court Judge in London. The men are in Armley jail, Leeds.

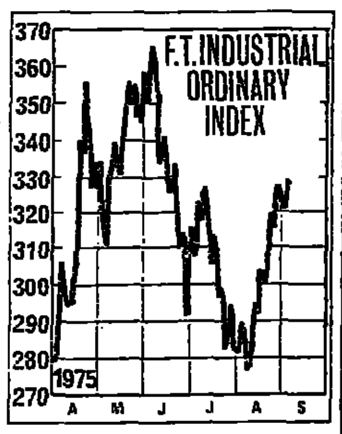
Maisky dies

Mr. Ivan Maisky, Soviet Ambassador to Britain from 1932 to 1943 has died in Moscow at the age of 91 it was announced last *night. He was regarded as a* friend by Sir Winston Churchill.

BUSINESS

Equities up 8.4: Gilts firm

● **EQUITIES** improved sharply with the announcement of ICI's second-quarter figures. The index closed 8.4 up at 329.3. The



Gold shares index rallied 12.9 *to 321.2.*

● **GILTS** had a more active day, with demand centred mainly in the longs, which closed up to ¾ higher. The Government Securities Index rose 0.18 to 61.68.

● **INVESTMENT CURRENCY** market was quieter, the premium closing up half a point at 96 per cent.

● **GOLD** closed at $153, a rise of $2¾.

● **STERLING** fell 35 points to $2.1095. Its weighted fall was 27.6 per cent. (27.5 per cent.). The dollar improved to 2.58 per cent. (2.67 per cent.).

● **WALL STREET** closed up *6.02 at 838.31.*

Tokyo stocks plunge

● TOKYO share prices fell sharply, reflecting concern of many investors about the state of the Japanese economy following last week's succession of business failures and near-failures. The Japanese Dow Jones average fell 61.82 points to 3,950, below the "psychological barrier" of 4,000 for the first time since February.
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● **GROSS NATIONAL PRODUCT** *rose from £62.9bn. in 1973* to £72.6bn. in 1974, but fell by 4½ per cent. after allowance was made for higher cost of imports.
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Burmah group's £125m. contract

● *PETROCARBON Developments*, part of the Burmah group, signed a record £125m. contract to build a chemical complex for Poland.
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● *NEW ORDERS* for the machine-tool industry fell sharply in the second quarter, with few companies working at more than 60 per cent. of capacity.
Page 8

● *HIGHER LABOUR COSTS* and material prices led to a 1.2 per cent. increase in basic house-building costs last month.

● **SEALAND HOVERCRAFT** company went into liquidation, making 120 workers redundant.
Page 8

● **EDWARD BATES & SONS** (Holdings) incurred an attributable loss of £15.22m. on the year to March 31 (profit £768,000).
Page 18

● **BRITISH ELECTRIC** Traction year's pre-tax profit was £37.75m. *(£45.92m.). Page 18*

● **MASSEY FERGUSON** first nine months' profit was $52.7m. *($38.6m). Page 22*

● **CFP** (Compagnie Française des Pétroles) reported *provisional first-half net profit of* Frs.174.1m. (Frs.290m.).

Sandilands report on inflation accounting

Basic changes urged in company accounts

By MICHAEL BLANDEN

BASIC CHANGES in company accounts and in the tax system *are proposed in the eagerly*-awaited report published yesterday, by the Sandilands Committee on inflation accounting.

The committee, set up in January, 1974 under the Tory Government, puts forward a new system of accounting, which it calls current cost accounting (CCA), to show up the serious impact of inflation on company *profits and liquidity.*

For many manufacturing companies, particularly in capital-intensive industries, the new system would produce substantially lower profits than the traditional historic cost method *which it is designed to replace.*

It is also recommended that the tax base should be fundamentally changed to reflect the proposed accounting conventions. Because this should be accompanied by a complete examination of the whole tax system, however, the Committee suggests that a Royal Commission should be established to review the basis of taxation of all profits and income.

The central element of the proposed new accounting method is that assets should be measured in the accounts at their "value to the business"—*in most cases*, their current replacement cost—rather than their historic cost. Valuation of assets, it is proposed, should be helped by official publication of a series of index numbers for various industries.

A company's profit for the year would consist only of its "operating gains" as defined by the report. *This would exclude all* "holding gains," derived from holdings of assets. Stock appreciation would be removed from profit and loss account and taken to reserve. And depreciation would be based on the current value of assets rather than historic cost.

The report has been awaited with interest by the Government and the accountancy profession. The Government has already taken action to relieve the effect of inflation on companies with the deferral of tax on stock appreciation introduced in the November Budget.

The accounting system proposed by Sandilands would offer a long-term method of relieving companies of tax on stock appreciation, though, for the time being, the committee recommends continuing the present *methods.*

Yesterday, the Department of Trade, which received the report on June 25, said that the Government was "conscious of the need for an early indication of its views on the report." After taking account of views of the appropriate representative bodies, the Government hoped to make a statement "early in the next session of Parliament" on the main recommendations for a form of current cost accounting for published company results.

The Government will be par*ticularly anxious to hear the* opinion of the accounting profession, which already has its own form of inflation accounting *established as a provisional* standard.

Yesterday the Consultative Committee of Accountancy Bodies, representing the six major accounting bodies, said it expected to submit a report on the profession's initial reaction to the Government about the end of October.

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The real industrial crisis, Page 16

The Sandilands recommenda*tions reject the system so far* adopted by the accountants, which, under the title current purchasing power (CPP) accounting, involves companies in producing supplementary statements showing the figures *adjusted to current values by* using the retail price index.

Yesterday the accountants pointed out that one of the issues in Sandilands which would cause debate would be its decision not to measure the *effect of inflation* on monetary assets and liabilities and on the shareholders' equity, which forms a basic part of the CPP approach.

Introducing the report yesterday, Mr. Francis Sandilands, chairman of Commercial Union Assurance and of the inflation accounting committee, said that *the proposed system of account*ing would meet the major requirements for information of the main users of accounts. In particular, it would help companies to see more clearly the effect inflation had

The report comments that the U.K. is in the grip of "the worst period of inflation in its history." Existing historic cost accounts, it argues, have great weaknesses in such a period.

They may even add to companies' problems by presenting "misleading" *information*, while taxation levied on conventional profits may have contributed to industry's liquidity crisis.

The new system, described as "evolutionary" rather than "revolutionary," would be a "*comprehensive method of* accounting for inflation."

A tight timetable for introducing CCA methods has been set by the committee. It is suggested that, given the urgency of the problem, a steering group *should be set up to supervise its* introduction. If possible, it should be adopted by quoted companies, other large companies and nationalised industries for periods beginning after December 24, 1977.

In time, tax bases should be changed to take account of the new system, and the committee suggests that some form of indexation of capital gains tax should also be considered. It also argues that price controls and Monopolies Commissions investigations into the profitability of industries should be based on profits disclosed under the new form of accounts.

£3.3bn. boost for French economy

BY ROBERT MAUTHNER

PARIS, Sept. 4.

PRESIDENT Valery Giscard d'Estaing to-night announced a Frs. 30bn. (about £3.3bn.) package to pump new *life into the* French economy at a time when the country's unemployed are expected to reach the million mark within the next few weeks.

Although France and West Germany have co-ordinated their reflationary efforts, the French measures, which are accompanied by a cut i nBank Rate from 9.5 to 8 per cent., are about three times greater in money terms than those of the West Germans.

Aircraft

As generally forecast, the largest part of the package—Frs.13bn.—is being devoted to boosting public investments, such as the modernisation of roads, the improvement of ports and the development of the public transport system, including a high-speed rail service between Paris and Lyon.

Other sectors which have been singled out under this heading are hospitals, State subsidised housing and the aircraft industry.

Private industry will be helped by more than Frs.12bn. All companies will benefit from special fiscal reductions on productive investments, amounting to Frs.2.8bn., while a postponement of company tax payments due on September 15 to April 15, 1976, totalling Frs.9.6bn. should do much to ease the tight cash *flow situation of most* French companies.

About Frs.5bn. has been set *aside for boosting consumption* mainly in the form of supplementary allowances for old age pensioners and handicapped people, some 2.8m. of whom will receive a special payment of Frs.700. Families will receive *an extra allowance of Frs.250* for each child, a measure which is expected to benefit 13.5m. children.

An additional stimulus to consumption will be given by a reduction of higher purchase interest rates and an extension of the repayment period for loans. A series of measures were also adopted to encourage exports of capital equipment and to facilitate the access of smaller companies to export markets.

Presenting the reflationary package in a nation-wide television broadcast to-night, President Giscard d'Estaing said it had been made necessary by the greatest upheaval the world economy had known in times of peace for 45 years. This upheaval had not spared any member country of the European Community.

For France, the employment situation had become one of the most worrying problems and the Government's aim in adopting *to-day's recovery programme* was to stimulate economic activity sufficiently to create new jobs.

Answering arguments that the Government should have adopted a reflationary package as long as a year or six months ago, M. *Giscard d'Estaing* said that such a step would have had a disastrous effect on inflation. A year ago, prices were rising at the annual rate of 15 per cent. and France had a big trade deficit. This situation had been reme*died. The country now had regu*lar trade surpluses, and the rate of inflation had been brought down to the "honourable" level of less than 10 per cent.

In what seemed to be a reference to Britain, the French President said that those who doubted that the Government's policy had been right had only to look beyond France's borders to those of her neighbours who were running a rate of inflation of more than 20 per cent. and whose unemployment was even higher.

Long-term

M. Giscard d'Estaing emphasised that all the measures taken by the Government would have an immediate effect. But the *Government's plan should also* be seen in the context of its longer-term aim of improving the working conditions and quality of life of French workers.

The Government would make early proposals to the employers' federation and trade unions for a reduction of working hours and the retirement age, he *added. The two main Left-wing* trade unions, the Communist-led CGT and socialist CFDT, have in fact demanded the opening of immediate negotiations on these two points and have threatened widespread industrial action

Editorial comment, Page 16

Britain's hopes of an export-led recovery next year suffered a blow yesterday with new evidence that recession in the strong industrial countries such as Germany, the U.S. and Japan was deeper than had been expected. The IMF annual meeting in Washington was told that the U.K. may not feel the benefit from the coming upturn in world trade *before 1976.*

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Pressure on councils for fare rises and reduced services

BY JOHN BOURNE AND COLIN JONES

REDUCTION in the standards of some local services, tighter control over staffing ratios, and *further increases in bus and* Underground fares were called for in a Ministerial circular to local authorities yesterday outlining the Government's preliminary thoughts on how next year's "standstill" in local *authorities' current expenditure* could be achieved.

The circular was requested by *local authority associations* at last month's meeting of the new Consultative Council on Local Government Finance. Mr. Anthony Crosland, the Environment Secretary, warned them at that meeting that, because the *volume of local spending this* year, before allowing for pay and price increases, looked like exceeding the 4½ per cent. growth "ceiling" by a full 2 per cent., their expenditure must be held level in 1976-77 instead *of growing by the previously en*visaged 1½ per cent.

More detailed advice on next year's expenditure is to be issued to councils after the 1976-77 rate support grant has been settled in November. But yesterday's circular warns them that the *Government will be seeking* "further substantial economies" in 1977-78 and 1978-79 as the increases provided in the last Public Expenditure White Paper "now seem to be quite unrealistic."

The Government's advice is not mandatory on local councils but next year's rate support grant will be based on the assumption of a standstill in real spending, leaving any increase to be financed by ratepayers.

The possibility of this happening next April was raised yesterday by Sir Robert Thomas, chair*man of the Association of Metro*politan Authorities, when he warned that "councils may have difficulty in keeping within the guidelines."

The recent trend of local government spending also gives rise to doubts that next year's standstill will be universally observed. This year's over-run follows a similar situation in 1974-75 when local spending increased in real terms by 9-10 per cent., as in the two previous years, as against a forecast of 6 per cent. before the *May and December public spend*ing cuts and one of 2½ per cent. after the cuts had been called for. Against this background, the chances of the Government persuading local authorities to achieve a complete halt in their *spending next year cannot be con*sidered encouraging.

The preliminary advice in *yesterday's circular covers:*

● **Local Transport:** Next year's reduction in revenue support for bus and Underground *services from £123m. to £103m. is* to be cut by a further £12m. "This will require fare increases to be made earlier or larger (or both) than previously planned."

Local transport expenditure, capital and current, is expected to be about £70m. less next year than the current £1,100m. estimates for this year, but it is *not intended that capital invest*ment in public transport should be cut. In road construction and improvement, the planned reduction is 8.3 per cent.

The economies envisaged for road maintenance, mainly on minor roads, are from £334m. for *this year to £314m. next year.*

● **Environment services:** Reductions should be considered in the staffing *of parks*, refuse collection, administration and town and country planning.

Authorities should also consider if they can raise charges for trading services, including crematoria and cemeteries, and

Continued on Back Page

ICI profit figures cheer market

BY RAY DAFTER

ICI SURPRISED the market yesterday when it announced a half-yearly pre-tax profit of £158m., a better result than many in the City and the chemical industry had expected.

Although the profit was £96m. down on the corresponding six months of *last year it does indi*cate that ICI has stabilised its performance in the depressed chemicals sector. In the past three quarterly periods the profit has been £82m., £80m. and £78m. in contrast to the very big drop between the third and fourth quarters last year. Consequently ICI's share price finished 15p up at 282p.

Unlike some companies in the chemical industry, ICI is managing to maintain its investment programme of £360m. to £400m. a year at present. *But to do this* it is having to dip into the £200m. of liquid resources held at the end of last year.

It is envisaged that some £150m. of cash flow from the first six months' trading will be ploughed back into the business *for* expansion. Even if ICI manages to repeat this performance in the second half of this year, it will have to draw *some* £100m. from reserves.

Nevertheless, ICI is determined to stick to its investment policy. "*By investing now we* will be ready to take advantage of increased demand resulting from an upturn in the economy," said Mr. Albert Frost, finance director.

A major review of investment projects in July *confirmed the* proposed programme in all but minor details. This is in sharp contrast to BP Chemicals, which *revealed this week it has post*poned some £175m. worth of projects. Some European companies, which have experienced much bigger drops in profitability in the past quarter, are also finding it difficult to stick to their spending plans.

The ICI results show that overseas business has slipped back faster than that in the U.K. Group sales at home increased from £598m. in the first half of last year to £641m. while overseas rose minimally from £846m. to £861m. Price increases accounted for the rise in revenue for overall volume output has been cut back.

The group *said* that the economic recession continued to affect the industry and the results were hit particularly by the poor state of the plastics and fibres markets. On the other hand, the broad product and territorial spread of the company had helped to mitigate the full effect of the recession.

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CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RISES

Treasury 10¼pc '97	£97¾	+ ½
Alexanders Discount	210	+ 12
Allied Retailers	68	+ 7
Assed. Dairies	202	+ 10
Avenue Close	50	+ 6
Barclays Bank	280	+ 8
Bilton (P.)	137	+ 5
Bowater	165	+ 6
"Bats"	303	+ 8
British Leyland	40	+ 5
Cantors "A"	32	+ 7
Church	100	+ 10
Costain (R.)	208	+ 10
Courtaulds	129	+ 5
Davy Intnl.	99	+ 6
Decca "A"	208	+ 14
Distillers	112	+ 5
General Accident	160	+ 8
GEC	127	+ 5
Glaxo	382	+ 14
ICI	282	+ 15
Land Secs.	175	+ 6
Lyons (J.) "A"	148	+ 6
Midland Bank	262	+ 10
Reckitt and Colman	323	+ 11
Reyrolle Parsons	52	+ 4
Rotork	90	+ 5
Sangers	64	+ 5
Thorn "A"	198	+ 8
Tube Investments	240	+ 6
Shell Transport	345	+ 9
Cons. Gold Fields	220	+ 10
Durban Deep	720	+ 50
East Drie.	970	+ 50
Kinross	660	+ 40
Pres. Steyn	£15¾	+ 1
Westfield Mins.	68	+ 5

FALLS

Bates (E.)	35	− 3
Dalgety	167	− 13
Reardon Smith "A"	143	− 7

For latest Share Index 'phone 01-246 8026

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LOMBARD

Need for action rather than talk

BY KEVIN RAFFERTY

WE—THE RICH, the West—worry to-day about how much our standards of living will slip this recession: can we afford a new car? what about the school fees? how many times a week can we go to the cinema or theatre? the house needs a new coat of paint, but is there enough spare cash in the bank?

But for millions upon millions of people in Africa, Asia and Latin America such discussions would be an academic luxury. Their concerns are with survival: will they be able to scrimp enough food to get one hot meal a day? will the children live to go to school? and if they do where will their food come from? and where will they find jobs?

Rich and poor

For those who are impressed by statistics there is a depressingly long string of them displaying the gap between the rich and the poor worlds. About 600m. people live in countries with per capita incomes ranging from $2,000 to $5,600; but 2bn. live in countries where the per capita income is below $200 a year. The 20 per cent. of the world's people who live in the rich countries *enjoy 80 per cent.* of the world's income, 90 per cent. of its gold reserves, eat 70 per cent. of the world's meat and 80 per cent. of its protein. Last year when there was a crying world *shortage*, Americans put more fertiliser on their back gardens, cemeteries and golf courses than India and China had available for food production. British people eat 24 per cent. more protein than they strictly need, yet 460m. people in the world are undernourished.

And for those in the rich West who are worried about the current recession there is a *reassurance from Mr.* Robert McNamara, president of the World Bank. He predicts that between 1970 and 1980 real per capita income in the developed world will rise from $3,100 to $4,000. The 1bn. people in the poorest countries face no such rich prospect—their per capita income will rise from $105 to $108 in the same period.

The rich world, poor world *debate has gone on for more* than a decade. It has blown a lot of hot air, but precious little action. The one success claimed by the developing nations has been the raising of the oil prices *which has helped to produce the* recession in the West; but most of the oil producers are hardly poor and the worst affected countries of all—Bangladesh, India, Tanzania—are the poorest. *So the debate rolls on and per*haps closer to confrontation.

Another attempt is to be made to-night to prick the conscience of the rich West into greater concern for the world's poorest *people. A film called "Five Minutes* to Midnight" produced by the ex-Panorama reporter Alan Hart is to be shown on BBC-2 television.

In two ways it succeeds splen*didly and is vital viewing.* It presents the world panorama of outrageous poverty, but manages to show the poor as individual people. No one who watches it can come away with the old idea *that the poor are idle, lazy good for nothings* whose poverty is the result only of their stupidity and fast breeding. I can merely marvel at the families ploughing and sowing in the cold high Andes or fetching precious drinking and washing water up treacherously steep slopes in Lima, while on the other side of the hill the rich bask indifferently in their backgarden swimming pools. He also shows how with a little effort and aid poverty can be transformed at least into a square meal a day given a pump or irrigation canal in the right place.

Indifference

Yet Alan Hart also shows the awful indifference of the rich West. He asks people in England, West Germany, the U.S. and Australia what they would be prepared to sacrifice to help the world's poor. They each reply that we have enough problems trying to keep our own poverty at bay. The film transposes shots of beauty parlours for poodles in America with the starving on some slum street of Asia.

What is to be done? Realistically, the hot air will continue and obscure any prospects of clear-headed action. The poor nations may try to gang up to force some action. The rich will react by calling their bluff—several Governments have already done studies showing that "commodity power," except for oil, is a myth.

The real solutions are complex and require concerted *research and time. As yet the* political will is lacking especially in the discontented, yet rich West. Alan Hart will have done a major service if his film brings home to the majority of us the *human dimensions* and hardships of the poverty problem in the developing world. That is the only spur to get political action.

SALEROOM — BY MICHAEL THOMPSON-NOEL

Walkout as Sotheby's opens

THE START of the new season at Sotheby's yesterday was marked by a walkout of 15 top London silver dealers protesting at the introduction of Sotheby's *controversial 10 per cent. buyer's* premium.

From now on, Sotheby's and Christie's are charging a total commission of 20 per cent., half payable by the seller and half payable by the buyer. The move comes after stiff cost increases and has produced vigorous protests from the four leading associations of fine art dealers.

Yesterday's walkout did little to dampen the sale, Sotheby's said. Only six out of 197 lots of English and Continental silver and plate were unsold. The sale totalled £22,453, many of the items going to foreign buyers.

In fact, four of the six highest-*priced lots went to English* dealers who did not join the walkout but even among their ranks there was some confusion.

Mrs. Magda Schapira of Bond Street Carpets, who paid the sale's top price of £950 for a canteen of table silver, said last night that she had been unaware of the new buyer's premium.

"I was prepared to pay up to £1,000 for the canteen and it was knocked down at £950. When I went to pay, however, they asked for an extra £95. I was completely taken aback. I had to write a cheque for £1,045."

Mr. Graham Llewellyn, one of Sotheby's three deputy chairmen, said after the sale: "It was extremely dignified. They couldn't have done it more nicely. The buyer's premium was introduced *only after very careful* heart-searching. We feel that when the longer-term aspects of our decision are appreciated, the trade will better understand our position."

The campaign against the buyer's premium is being led by the Society of London Art Dealers, the London and Provincial Antique Dealers' Association, the British Antique Dealers' Association and the Antiquarian Booksellers' Association, all of which are expected to call extraordinary meetings of their full memberships to consider a joint line of attack.

At Sotheby's Belgravia, foreign buyers were out in force for a £36,442 sale of Oriental ceramics, works of art and furniture. Top price was £2,200 for a Canton porcelain bowl.

Phillip's, which in an attempt to siphon business from Sotheby's and Christie's, is not introducing a buyer's premium staged a £25,136 sale of musical instruments. It said that it had been "deluged" by dealers' inquiries about forthcoming sales.

At Bonham's, a sale of European oil paintings totalled £31,870 while at Glendenning and Co. a coin sale amassed £85,834. A one-day auction of paper money at Stanley Gibbons brought in £28,447 and a stamp sale at Warwick and Warwick, of Rugby, totalled £40,000.

RACING — BY DOMINIC WIGAN

Royal Boy ideally suited

WITH the much-vaunted Duke Ellington scratched from to-day's Syrenia Plate at Sandown, I shall not look beyond *Royal Boy*, Mr. David Robinson's handsome Realm *two-year-old, for the* winner.

This fast half-brother to Velvella has not quite lived up to his early season reputation of being the best juvenile in the country. Nevertheless he has succeeded in finishing either first or second on all his appearances, and in his last race did particularly well to finish runner-up to the much improved Super Cavalier in Newmarket's July Stakes, in spite of losing ground when he veered off a true line a furlong and a half from home.

Royal Boy's best performance almost certainly came two months before the July Stakes in York's five-furlongs; Tattersall's Yorkshire Stakes, in which he ran on well to defeat Music Boy strictly on merit by 1½ lengths, with Hiliarchos a further four lengths away in third place.

He will be ideally suited by this return to the minimum trip, which he is tackling for the first time since that fine York victory over the subsequent Gimcrack winner, and I cannot visualise him failing.

Half an hour before the Syrenia Plate, which a year ago went to Grundy, two much improved young stayers, Grinling Gibbons and *Lucky Shot*, may fight out the finish to the Arion Plate.

Grinling Gibbons, a well made American-bred three-year-old by Bagdad out of the Sir Gaylord mare, Angel Falls, has been running well in varied company this summer.

He had two Lingfield victories—one in maiden and one in handicap company—and a highly creditable second in Ascot's *Sunninghill* Park Stakes, in which he failed narrowly to peg back Vincent O'Brien's Sir Daniel.

Lucky Shot, a bay colt by Reform out of that high-class *middle distance performer*, Photo Flash, has also won twice this term. His successes were in a maiden event here in July and in a Newmarket handicap last month, in which he had to be driven out to beat that high-class handicapper, Tudor Crown, from whom he was receiving a good deal of weight, by three-quarters of a length.

Between those successes, Lucky Shot was far from disgraced in Goodwood's highly competitive Craven Handicap, going down by only two lengths to Pal's Bambino after having a far from clear passage inside the last two furlongs. With 6 lbs advantage over Grinling Gibbons, I expect Lucky Shot to achieve this second course victory.

SANDOWN
2.00—Nalanda
2.30—Flying Bridge
3.00—Whitstable
3.30—Lucky Shot**
4.00—Royal Boy***
4.30—Gypsy Bronze*

THIRSK
2.15—Armidale
2.45—High Drama
3.15—Sindah

Golden glow St. Paul's

ST. PAUL'S Cathedral will appear in a golden rather than a white light to-night when high-*pressure sodium lamps* are switched on instead of the eight year-old tungsten lights.

The new system, with a 60 per cent. saving in electricity costs, is already floodlighting the City of *London School on the Embank*ment, Billingsgate Market, Colechurch House at the south end of London Bridge, and the Monument.

ENTERTAINMENT GUIDE

OPERA & BALLET

COLISEUM. (01-836 3161). ENGLISH NATIONAL OPERA. Tonight 7 Carmen. Tomor. Tue. & Thur. 7.30 La Belle Hélène. Wed. 7.30 Madam Butterfly.

NEW VICTORIA THEATRE. 01-834 0671 Opposite Victoria Station. LONDON FESTIVAL BALLET. Evgs. 7.30. Mat. Sats. 3. Tonight & tomor. Coppelia. Next Week Swan Lake. Sept. 15-20: Dances from Napoli, Prodigal Son (in Ragtime).

THEATRES

ADELPHI THEATRE. 01-836 7611. Evgs. 7.30. Mat. Thurs. Sat. 3.00. JEAN SIMMONS HERMIONE GINGOLD. JOSS ACKLAND in A LITTLE NIGHT MUSIC. "Music that Ravishes the Senses. A show kissed with genius." Guardian.

ALBERY. 836 3878. Evenings 7.45. Sat. 5.00 and 8.00. RETURN BY PUBLIC DEMAND. Evening Standard Drama Award 1974 for BEST COMEDY OF THE YEAR. RSC in Tom Stoppard's TRAVESTIES. LIMITED SEASON. BOOK NOW.

ALDWYCH (RSC). 836 6404. Air cond. Recorded booking info. 836 5332. LAST 5 PERFS. Evgs. 7.30. Charles Wood's new comedy JINGO. "A play of something like genius." F.T. "Anna Massey is brilliant." Dly. Tel.

AMBASSADORS. 01-836 1171. Preview tonight and Mon. 8.0, tomor. 5.30 and 8.30, Tues. 2.30 & 8.0. Opens Wed. 7.0. Subs. Mon. to Fri. 8.0. Sat. 5.30 & 8.30. Mat. Tues. 2.30. HAPPY AS A SANDBAG. A Musical by Ken Lee.

APOLLO. 437 2663. Evenings 8.00. Mat. Thurs. 3.00. Sat. 5.00 and 8.30. MARGARET LEIGHTON ALEC GUINNESS in A FAMILY AND A FORTUNE

ARTS THEATRE CLUB. 836 3334. Great Newport St. (adj.) Leic. Sq. Underground. Instant temp. membership avail. 15p. Evenings Tues. to Sunday at 8.00. ANNIE ROSS, MIRIAM MARGOYLES KENNEDY'S CHILDREN. "The play is fantastic." Observer

CAMBRIDGE THEATRE. 836 6056. Michael DENISON, Derek GRIFFITHS, Val PRINGLE, Norman BEATON in THE BLACK MIKADO. "THE BEST MUSICAL OF 1975 AND PROBABLY 1976 and 1977 AS WELL." Sun. Times. Ev. 8. Wed., Sat. 5.0, 8.15.

CHICHESTER. 0243 86333. Tonight and Sept. 6, 8, 9 at 7.0. MADE IN HEAVEN. Sept. 6 at 2.0. Sept. 10 at 7.0. OTHELLO

COCKPIT. 01-402 5081. Evgs. 7.30. National Youth Theatre in A SIGHT OF GLORY

COMEDY. 930 2578. Evgs. 8.00. Sats. at 5.30 and 8.30. Matinees Thurs. 3.0. "The delectable HAYLEY MILLS." D.T. FRANCIS MATTHEWS, LEIGH LAWSON. "Samuel Taylor's joyous Comedy." E.N. A TOUCH OF SPRING. "Effervescent direction by Alan Davis." F.T. "THE AUDIENCE were WEAK with LAUGHTER." F.T. "THIS FROLIC is SUCH FUN." Evg. News.

CRITERION. 930 3216. Air-cond. Evgs. 8.15. Mats. Thur. Sat. 5. Tom Stoppard's ROSENCRANTZ & GUILDENSTERN ARE DEAD. Limited Season.

DRURY LANE. 836 8108. Evenings 7.30. Matinees Wed. and Sat. 2.30. MICHAEL CRAWFORD in BILLY. A NEW MUSICAL. "MICHAEL CRAWFORD A WHOPPING WONDERFUL STAGE STAR." News of the World. "HE AND HIS SHOW ARE A TREAT." Sunday Express.

DUCHESS THEATRE. 836 8243. Evenings 8.00. Fri., Sat. 6.15 and 9.00. ALIVE ON STAGE OH! CALCUTTA! NOW IN ITS 6th YEAR. "Breathtakingly beautiful." Sun. Tel. "The nudity is stunning." Daily Tel.

DUKE OF YORK'S. 836 5122. Evgs. 8.00. Sat. 5 and 8.30. Red. price. Mats. Th. 3. BERYL REID, HARRY H CORBETT, KENNETH CRANHAM in JOE ORTON'S COMEDY ENTERTAINING MR. SLOANE. "A beautiful evening." Fin. Times.

FORTUNE. 836 2238. Evenings at 8.0. Sat. 5.30 & 8.30 (Th. 2.45. Red. prices) SLEUTH. "THE BEST THRILLER EVER." New York Times. 6th GREAT YEAR. LAST 8 WEEKS—ends Oct. 25.

GARRICK. 836 4601. Mon.-Thur. 8.15. Mat. Wed. 3.0 (reduced prices). Fri. 8.40, Sat. 6.0 and 8.40. RICHARD BRIERS "Hilarious." E. Stan. ABSENT FRIENDS. "ALAN AYCKBOURN'S FINEST FUNNIEST PLAY." H. Hobson. S. Times.

GLOBE THEATRE. 437 1592. BEST PLAY OF THE YEAR. Evening Standard Drama Award. RONALD PICKUP in THE NORMAN CONQUESTS by ALAN AYCKBOURN. TABLE MANNERS Tnt. Mon. Wed. 8.15; LIVING TOGETHER Tomor. 5.30, Tu. Th. 8.15; R'ND & R'ND THE GARDEN Tomor. 8.30. Wed. 3.0.

GREENWICH. 01-858 7755. Tnt. 8.0, tmr. 2.30 and 8.0. MEASURE FOR MEASURE.

HAYMARKET. 930 9832. Evgs. 7.45. Mat. Wed. 2.30. Sat. 4.30 and 8.00. JOHN CLEMENTS in Ronald Millar-C. P. Snow's THE CASE IN QUESTION. "An excellent evening's entertainment ... an enthralling story." Harold Hobson. Sunday Times.

HER MAJESTY'S. 930 6606. Evgs. 8.00. Fri. and Sat. 6.00 and 8.40. HAIR

KING'S ROAD THEATRE. 352 7488. Mon. to Th. 9.00. Fri., Sat. 7.30, 9.30. ALIVE ON STAGE THE ROCKY HORROR SHOW. "BEST MUSICAL OF THE YEAR." Evening News Drama Award.

LYRIC. 01-437 3686. Evenings 8.00. Wed. and Sat. 3.45, 8.30. "THIS MAGICAL MUSICAL." Gdn. HAPPY END. "IS A GEM." Sunday Telegraph.

MAY FAIR. 629 3036. Fully air cond. Evgs. 8.15. Sat. 5.30 and 8.40. BILLIE WHITELAW, BARBARA FERRIS and DINSDALE LANDEN in ALPHABETICAL ORDER. "Michael Frayn's comedy is a delightful experience." Evening Standard.

MERMAID. 248 7656. Food 248 2835. Evenings 8.0. Mat. Thurs. Sat. 4.0. Bernard Shaw's ON THE ROCKS. "Witty, provocative, prophetic." "It never ceases to seethe and bubble." "ONE OF SHAW'S VERY BEST." SEATS FROM 75p TO £2.50 OR COMBINED DINNER AND THEATRE TICKET £4.95.

NEW LONDON. Drury Lane. 405 0072. Mon. to Th. 8.00. Fri., Sat. 6.0, 8.45. KWA ZULU. "Probably the most compulsively enjoyable musical show in London." F. Times. Theatre Fully Air Conditioned.

OLD VIC. THE NATIONAL THEATRE. 928 7616. Red. price Prevs. Ton't, Mon. 7.30 Tomor. 2.15 & 7.30. Opens Tue. 7. Wed. 7.30 Th. 2.15 & 7.30. PHAEDRA BRITANNICA by Tony Harrison after Racine's Phedre. Some seats held for sale day of performance from 10 a.m.

OPEN AIR. Regent's Park. 01-486 2431. JUDI DENCH, PENELOPE KEITH, FRANK BARRIE, PHILIPPA GAIL, JOHN HUMPHREY, ANTHONY SHARP, BRIDGET BARTLAM in SWEET MR. SHAKESPEARE. Tonight at 8.0. An amusing and delightful entertainment in Word and SONG on what the world said about Will. "Delightful and beguiling." E.N. GALA PERFORMANCE Sun. 8.0.

PALACE. 437 6834. Mon.-Thur. 8.00. Friday and Saturday 6.00 and 8.40. JESUS CHRIST SUPERSTAR

PALLADIUM. 437 7373. Evenings 7.30. Mats. Wed., Sat. at 2.45. TOMMY STEELE in LONDON'S MOST BEAUTIFUL MUSICAL HANS ANDERSEN. "SUMPTUOUS SPECTACLE. SPLENDID SONGS. IT'S WONDERFUL." Daily Exp. SEATS AVAIL. THEATRE AND AGENTS.

PHOENIX THEATRE. 01-836 8611. Evenings 7.45. Fri., Sat. 5.45 and 8.45. GODSPELL. "IS MAGNIFICENT." Sunday Times. RED. PRICE 5.45 PERF. TODAY. MUST END SEPTEMBER 20

PICCADILLY. 437 4506. Special Limited Season. Evenings at 8. HENRY FONDA as CLARENCE DARROW. A one-man play about the most famous Trial Lawyer of the 20th century. "Brilliantly absorbing." E. News. "Absolutely magnetic." N. of W. FULLY AIR CONDITIONED

PRINCE OF WALES. 930 8681. Evenings 8.00. Mat. Wed., Sat. 3.00. JAMES STEWART in HARVEY. Must end September 27. Opens Oct. 8. Prev. from Oct. 1. HARRY SECOMBE in a comedy SCHIPPEL

QUEEN'S. 01-734 1166. Evenings 8.00. Mats. Thurs. 3.00. Sats. 5.30 and 8.30. ALAN BATES in OTHERWISE ENGAGED. A new play by SIMON GRAY. Directed by HAROLD PINTER

RAYMOND REVUE BAR THEATRE. 734 1593. At 7 p.m., 9 p.m., 11 p.m. PAUL RAYMOND presents THE FESTIVAL OF EROTICA '75

REGENT. 323 2707. Evenings 8.30. Fri. and Sat. at 7.00 and 9.15. 2nd YEAR OF SENSATIONAL STAGE SHOW OF THE '70s LET MY PEOPLE COME. AN ADULT MUSICAL. "Never a dull moment." Evening News. 100 tickets held for sale at door.

ROYAL COURT. 730 1745. Evgs. at 8. Sats. 6 and 8.30. HELEN MIRREN TEETH 'N' SMILES. By David Hare

SADLER'S WELLS THEATRE. 837 1672. LAST 2 DAYS. MARCEL MARCEAU. Tonight 7.30. tomor. 2.30 and 7.30.

ST. MARTIN'S. 836 1443. Evenings [illegible] Mat. Tues. 2.45. Sats. 5.00 [illegible] AGATHA CHRISTIE'S THE MOUSETRAP. World's longest-ever run. [illegible]

SAVOY. 836 8888. Evenings [illegible] Mats. Wed. at 2.30. and Sat. [illegible] Barbara MULLEN and Derek [illegible] in AGATHA CHRISTIE'S MURDER AT THE VICARA[illegible]

SHAFTESBURY. 836 6596. Previews [illegible] September 26. Opens October [illegible] LIVE ON STAGE ARTHUR LOWE, JOHN LE MESURIER, CLIVE [illegible] DAD'S ARMY. A NOSTALGIC MUSIC AND LA[illegible] SHOW OF BRITAIN'S FINEST [illegible]

SHAW. 01-388 1394. Evenings [illegible] NATIONAL YOUTH THEATRE. Peter Terson's ZIGGER ZAG[illegible]

STRAND. 836 2660. Evenings [illegible] Mats. Thurs. 3.00. Sat. 5.30 [illegible] DORIS HARE, LEO FRA[illegible] RICHARD CALDICOT, ANDREW [illegible] NO SEX PLEASE, WE'RE BRI[illegible] Directed by Allan Davis. LONDON'S LONGEST LAUGH [illegible]

TALK OF THE TOWN. 01-7[illegible] From 8.15. Dining and Dancing. New Revue SWEET TEMPTA[illegible] and at 11 p.m. VINCE HILL

VAUDEVILLE. 836 9988. Fully [illegible] Evs. 8.00. Mat. Tu. 3.0. Sat. 5 [illegible] MILLICENT MARTIN AMANDA [illegible] in ALAN AYCKBOURN'S ABSURD PERSON SINGU[illegible] Best Comedy of Year, E. Std. [illegible]

VICTORIA PALACE. 01-8[illegible] Evenings 8.0. Wed., Sat. 6.0 [illegible] MAX BYGRAVES "SWINGALONGAMAX." Song and laughter spectac[illegible] with Great Company. MUST TERMINATE OCTOBER [illegible]

WESTMINSTER. 834 0283. Even[illegible] Sats. 5.15, 8.30. Wed. 2.30. Old Vic Musical Story of Gi[illegible] and Sullivan's partners[illegible] TARANTARA! TARANTA[illegible] "A shining gem"—Mail. [illegible] ful show"—Evening News. [illegible] and wit"—Harold Hobson, S[illegible]

WHITEHALL. 930 [illegible] Evgs. 8.00. Fri., Sat. 5.45 [illegible] "ORTON'S richest and funn[illegible]" WHAT THE BUTLER SAW. Dir. by Lindsay Anderson. "[illegible] aching with laughter." Daily [illegible]

WINDMILL THEATRE. [illegible] PAUL RAYMOND presents LET'S GET LAID featuring JOHN INMAN "ARE YOU BEING SERV[illegible]" Twice Nightly at 7.00 and [illegible] 2nd SENSATIONAL YE[illegible]

WYNDHAM'S. 836 3028. Mon. [illegible] Sats. 5.00 and 8.00. Mats. [illegible] JOHN GIELGUD, RALPH RIC[illegible] National Theatre produ[illegible] HAROLD PINTER'S NO MAN'S LAND. Directed by PETER HA[illegible] "GREAT ACTING AT ITS PITCH." E. News. Limited [illegible]

YOUNG VIC (by Old Vic). [illegible] Tonight 8 p.m. EDWARD [illegible]

CINEMAS

ABC 1 & 2 SHAFTESBURY [illegible] 8861. Sep. Perfs. ALL SEAT[illegible] 1: THE GODFATHER PART II [illegible] & Sun. 2.45, 8.00. 2: THE DROWNING POOL [illegible] Sun. 2.00, 5.30, 8.30. [illegible]

CASINO. 437 6877. EARTHQ[illegible] You'll FEEL it as well as [illegible] SENSURROUND. Sep. Perfs. 2.30, 5.30, 8.30. Late Sat. [illegible]

CURZON, Curzon Street, W.1. [illegible] (No smoking and Air Cond.) [illegible] DOESN'T LIVE HERE ANY [illegible] Progs. at 1.55 (not Sun.) [illegible] 8.30. Late show Sat. 11. [illegible]

LEICESTER SQUARE THEATRE. See! Hear! Feel! TOMMY [illegible] film event of the Year. Sep. [illegible] 4.30, 8.00. Sun. 4.30, 8.00 [illegible] may be booked.

ODEON, Haymarket. (930 [illegible]) SHAMPOO (X). Sep. perfs. [illegible] (not Sun.) 4.45, 8.15. Sun. [illegible] (not Sun.) 5.30, 8.55. Late [illegible] and Sat. 11.45. All seats may [illegible]

ODEON, Leicester Square. [illegible] James Caan ROLLERBALL [illegible] Progs. 1.15, 4.15, 8.00. Late [illegible] & Sat. 11.20. All seats may [illegible]

ODEON, St. Martin's Lane. For info 240 0071/0072. Box office [illegible] 836 0691-1811. Walt Dis[illegible] AND THE TRAMP (U). Sep. [illegible] 2.00, 5.15, 8.30. Sat. [illegible] 8.00, 8.45. Sun. 3.00, 6.00 [illegible] seats may be booked.

PRINCE CHARLES, Leic. Sq. [illegible] 12th Sensational Mon[illegible] EMMANUELLE (X) [illegible] Sep. Perfs. Dly. (inc. Sun.) [illegible] 9.00. Lte. Show 11.45 Fri. & [illegible] bookable. Lic'd Bar.

CINEMAS ARE CONT[illegible] ON PAGE 24

TV/Radio

† Indicates programme in black and white

BBC 1

12.55 p.m. Bod. 1.25 News. 1.30 Along the Trail. 1.45 Show Jumping from Hickstead. 4.23 Regional News (except London). 4.25 Play School. 4.50 Natural Break. 5.00 Scooby Doo. 5.40 Hector's House.
5.45 News.
6.00 Nationwide.
7.05 Bugs Bunny.
7.15 The Wonderful World of Disney.
8.00 Dad's Army.
8.30 The Liver Birds.
9.00 News.
9.25 Quiller.
10.15 Tonight reviews the week.
10.45 Film 75.
11.15 Edinburgh Military Tattoo.

All Regions as BBC-1 except at the following times:—

Wales—6.00-7.05 p.m. Wales *Today.* *7.05-7.20 Bugs Bunny.* 7.20-7.35 Heddiw. 7.35-8.00 Mynd A'r Gan. 10.45-11.15 Border River. 12.30 a.m. News of Wales.

Scotland—6.00-7.05 p.m. Reporting Scotland. 8.00-8.30 Take Five. 10.45-11.15 Scope. 12.30 a.m. Scottish News Summary.

Northern Ireland—4.23-4.25 p.m. Northern Ireland News. 6.00-7.05 Scene Around Six. 10.45-11.15 Folk Weave. 12.30 a.m. Northern Ireland News Headlines.

England—6.00-7.05 Look North (from Leeds, Manchester, Newcastle), Midlands Today (from Birmingham), Look East (from Norwich), Points West (from Bristol), South Today (from *Southampton*), *Spotlight South* West (from Plymouth). 10.45-11.15 North (from Leeds) Summer Interview; North West (from Manchester) Serenade; North East (from Newcastle) Bean's Boots; Midlands (from Birmingham) Sportstalk; West (from Bristol) Channel Fief; South West (from Plymouth) Peninsula; South (from Southampton) A Secret England; East (from Norwich) On Camera.

BBC 2

7.05-7.55 a.m. Open University.
11.00 Play School.
11.25-12.30 pm. TUC Conference.
4.00 Show Jumping from Hickstead.
5.00-7.05 Open University.
7.30 Newsday.
7.50 Living On The Land.
8.15 Five Minutes To Midnight.
10.15 The Carnforth Practice.
11.05 News Night.
11.20 Closedown: William Lucas reads "Come, Sweetheart, Come."

LONDON

†9.50 a.m. Bertrand Russell Speaks His Mind. 10.05 Wildlife Theatre. *10.30 "Pray For The Wildcats,"* starring Andy Griffith. 12.00 Bush Boy. 12.30 p.m. Larry The Lamb. 12.40 Hickory House. 1.00 First Report: News, plus FT Index. 1.20 Lunchtime Today. 1.30 The Andy Stewart Show. 2.00 This Week. 2.30 Water Skiing: 14th World Championships. 4.20 Robert's Robots. 4.50 Magpie. 5.20 The Flintstones.
5.50 News From ITN.
6.00 Today.
6.35 Crossroads.
7.00 General Hospital.
8.00 "The Virgin And The Gypsy," starring Franco Nero.
9.45 Police Five.
10.00 News At Ten.
10.30 The Big Season.
10.40 Russell Harty.
11.30 Police Woman.
12.20 a.m. Faith or Superstition.

All ITV Regions as London *except at the following times:—*

ANGLIA

1.25 p.m. Anglia News. 5.20 Bygones. 6.00 About Anglia. 9.50 Cartoon. 10.30 Videosport '75. 11.00 Police Woman. 11.55 Men Who Matter.

ATV MIDLANDS

1.20 p.m. ATV Newsdesk. 5.20 Supersonic. 6.00 ATV To-day. 8.00 Feature Film: "The Trouble with Angels," starring Rosalind Russell and Hayley Mills. 10.30 Extra Time. 11.00 Night Gallery.

BORDER

1.20 p.m. Border News. 2.00 Women Only. 5.20 The New Adventures of Superman. 6.00 Border News and Lookaround. 8.00 Friday Film: "The Stalking Moon," starring Gregory Peck and Eva Marie Saint. 10.30 The Last Challenge. 11.00 Police Story. †11.55 Border News *Summary.*

CHANNEL

1.20 p.m. Channel Lunchtime News and What's On Where. 5.20 The Protectors. 6.00 Report at Six. 8.00 Feature Film: "The Stalking Moon." 10.30 Life in France. 10.50 The Saint. 11.45 News and Weather in French.

GRAMPIAN

12.05 p.m. Corporation—Motivation. 12.35 Lunchtime Call. 1.20 Grampian News Headlines. 5.20 Fantastic Voyage. 6.00 Grampian News. 6.10 Highway One. 10.30 Viewfinder. 11.00 Wagon Train followed by Road Report. 12.15 a.m. *Evening Prayers.*

GRANADA

9.30 a.m. Sesame Street. 10.25 Cartoon. 10.35 Galloping Gourmet. 11.00 Trades Union Congress. 12.10 p.m. Clapperboard. 1.20 This Is Your Right. †5.15 Chuckleheads. 5.20 Crossroads. 6.00 Granada Reports. 7.35 "The Molly Maguires" starring Richard Harris. 10.30 Kick Off. 11.05 Oscar Peterson Presents . . . †11.35 The Late Film: "The Yellow Balloon."

HTV

1.20 p.m. Report West Headlines. 1.25 Report Wales Headlines. 2.00 Women Only. 5.20 Orbit 5. 6.00 Report West. 6.15 Report Wales. 7.35 "The Magnificent Showman" starring John Wayne, Rita Hayworth and Claudia Cardinale. 10.30 Free Time. 11.00 The Collaborators.

HTV Cymru/Wales—As HTV General Service except: 1.20-1.25 p.m. Penawdau Newyddion y Dydd. 1.25-1.30 Report Wales Headlines. 4.20-4.50 Cestyll Cantamil. 6.00-6.15 Y Dydd. 10.30-11.00 Outlook.

HTV West—As HTV General Service except: 1.20-1.30 p.m. Report West Headlines. 6.15-6.30 Report West.

SCOTTISH

11.35 a.m. Duty Free. 12.05 p.m. Out of Town. 12.31 Professor Balthazar. 1.25 Road and Weather Report. 2.00 Women Only. 5.20 Babar. 5.25 Crossroads. 6.00 Scottish News. 6.05 Isabel on Friday. 8.00 Feature Film: "Interlude" starring Oskar Werner and Barbara Ferris. 10.30 Late Call. 10.40 A House in Regent Place. 11.05 Festival Programme.

SOUTHERN

11.00 a.m. Gilbert and Sullivan—"Pirates of Penzance." 11.45 Merrie Melodies. 12.00 Swings and Roundabouts. 12.30 p.m. Hammy Hamster's Adventures on the Riverbank. 1.20 Southern News. 2.00 Women Only. 5.20 Weekend. 5.25 Crossroads. 6.00 Day by Day (Channels 6, 11, 27, 42, 58 and 60). 6.00 Scene South East (Channels 10, 13, 64 and 66). 6.30 Out of Town. 8.00 The Friday Film: "The Stalking Moon" starring Gregory Peck. 10.30 The Collaborators. 11.30 Southern News Extra. 11.40 Firehouse. *12.05 a.m. It All Goes To Show.*

TYNE TEES

12.35 p.m. Starting Point. 1.20 Lunchtime News and Lookaround. 6.00 To-day at Six. 8.00 "The Stalking Moon," starring Gregory Peck and Eva Marie Saint. 10.30 Sportstime. 11.00 Canadian Playhouse. 12.03 The Lorax. 12.20 a.m. Late News Headlines. 12.25 Open Bible.

ULSTER

1.20 p.m. Lunchtime. 4.18 Ulster News Headlines. 5.20 Wait Till Your Father Gets Home. 6.00 Summer Reports. 6.25 Police Six. 8.00 Who Do You Do. 8.30 Sportscast. 9.00 Police Story. 10.30 A House in Regent Place. †11.00 Friday's Film: "Shadow of the Cat."

WESTWARD

12.00 The Master Chefs. 12.15 p.m. Untamed World. 12.38 Gus Honeybun's Birthdays. 1.20 Westward News Headlines. 5.20 The Protectors. 6.00 Westward Diary and Sports Desk. 8.00 Feature Film: "The Stalking Moon," starring Gregory Peck and Eva Marie Saint. 10.32 Westward Late News. 10.35 Late with Danton. 10.50 The Saint. 11.45 Faith for Life.

YORKSHIRE

1.20 p.m. Calendar News. 5.20 Hogan's Heroes. 6.00 Calendar. 8.00 "The Stalking Moon," starring Gregory Peck. 10.30 The Avengers. 11.25 Night Gallery.

RADIO 1 — 247m

(S) Stereophonic broadcast.

6.00 a.m. As Radio 2. 7.00 Noel Edmonds. 9.00 Tony Blackburn. 12.00 Johnnie Walker including 12.30 p.m. Newsbeat. 2.02 David Hamilton (S) (also on VHF). 5.00 Newsbeat. 5.15 Rosko's Round Table. 7.00-12.33 a.m. As Radio 2.

RADIO 2 — 1,500m and VHF

6.00 a.m. News Summary. 6.02 Colin Berry (S) including 6.15 Pause for Thought. 7.02 Terry Wogan (S) including 8.27 Racing Bulletin. 8.45 Pause for Thought. 9.02-11.30 Pete Murray's Open House (S) including 10.30 Waggoners' Walk. 11.30 Jimmy Young (S). 1.50 p.m. Sports Desk. 1.55 Good Listening (VHF). 2.02 David Hamilton (S) as Radio 1, but including on 1,500m. only (also 202m. Scotland). 2.45, 3.45 and 4.45 Sports Desk. 5.02 Waggoners' Walk. 5.17 Sam Costa (S) including 5.45 Sports Desk. 6.45 Sports Desk. 7.02 Just For Fun. 7.30 Sports Desk. 7.32 Ronnie Aldrich concert (S). 8.32 Friday Night Is Music Night (S). 10.02 Sports Desk. 10.07 Len Jackson (S) with Music Through Midnight including 12.00 News. 12.31 a.m. News Summary.

RADIO 3 — 464m, Stereo & VHF

† Medium Wave only

7.00 a.m. News. 7.05 Overture (S). 8.00 News. 8.05 Morning Concert (S). 9.00 News. 9.05 This Week's Composer: Hindemith (S). 9.45 Three English Composers: Purcell, Constant Lambert, John Gardner (S). 11.00 Edinburgh Festival piano recital, part 1: Mozart, Brahms. 11.40 Festival Comment. 11.55 Edinburgh Festival piano recital, part 2: Busoni, Stravinsky. 12.45 p.m. Masters of the *Classical Guitar:* John Williams (S). 1.00 News. 1.05 Playbill (S). 1.20 Concert from South German Radio: Lutoslawski, Beethoven, Prokofiev (S). 2.50 Jessye Norman recital, part 1 (S). 3.20 Words . . . (Margaret Drabble). 3.25 Recital, part 2 (S). 4.00 BBC Northern Symphony Orchestra (S). 5.15 Bach recital. †5.45 Homeward Bound. †6.05 News. †6.10 Homeward Bound (continued). †6.30 Study On 3. 7.30 Proms concert, part 1: Ravel, Bizet, John McCabe (S). 8.35 Hegel and the Modern World (discussion). 8.55 Proms concert, part 2: Saint-Saëns (S). 9.45 Music Now. 10.30 The Innocent Ear (S). 11.25 News.

Radio 3 VHF only—6.00-7.00 a.m. and 5.45-7.30 p.m. Open University.

RADIO 4 — 434m, 330m, 285m and VHF

6.20 a.m. News. 6.22 Farming To-day. 6.40 Prayer for the Day. 6.45 To-day including 6.50 VHF Regional News. 6.55 Weather, programme news. 7.00 News and more of To-day including 7.27 Sportsdesk. 7.35 To-day's Papers. 7.45 Thought for the Day. 7.50 VHF Regional News. 7.55 Weather, programme news. 8.00 News and more of To-day including 8.27 Sportsdesk and 8.35 To-day's Papers. 8.45 *The High Window.* 9.00 *News.* 9.05 Voice of the People. 10.00 News. 10.05 Checkpoint. 10.30 Daily Service. 10.45 Morning Story. 11.00 News. 11.05 With Great Pleasure (Johnny Morris). 11.50 A Choice of Letters. 12.00 News. 12.02 p.m. You and Yours. 12.27 Whatever Happened to the Likely Lads? (S). 12.55 Weather, programme news. VHF (except *London* and S.E.) Regional News. 1.00 The World At One. 1.30 The Archers. 1.45 Woman's Hour visits Glasgow (including 2.00-2.02 News). 2.45 Listen With Mother. 3.00 News. 3.05 Afternoon Theatre. 4.00 News. 4.05 Johnny's Jaunt. 4.35 Story Time. 5.00 PM Reports. 5.50 Financial Report. VHF Regional News. 5.55 Weather, programme news. 6.00 News. 6.15 Brain of Britain meets Just A Minute (challenge match). 6.45 The Archers. 7.00 News Desk. 7.30 Pick of the Week. 8.30 Galbraith and the *King of the Diamonds.* 9.15 Letter From America. 9.30 Kaleidoscope at the Edinburgh Festival. 9.59 Weather. 10.00 The World To-night. 10.45 A Book at Bedtime. 11.00 The Financial World To-night. Radio 4's International Business Report: Market Trends. 11.15 The Peter Jones Sketch Book. 11.40 News.

BBC Radio London — 206m and 94.9 VHF

6.00 a.m. As Radio 2. 6.30 Rush Hour. 9.02 Downtown. 11.03 In Town. 12.03 p.m. Call In including 12.45 London News Desk. 2.03 206 Showcase. 3.45 The London Gardener. 4.03 The Announcers. 4.32 Home Run including London News Desk at 5.00; 6.00. 6.30 Sportsfield. 7.00 In Town. 8.00 Good Fishing. 8.30 London Country. 10.03 Single File. 12.00 As Radio 2 until closedown.

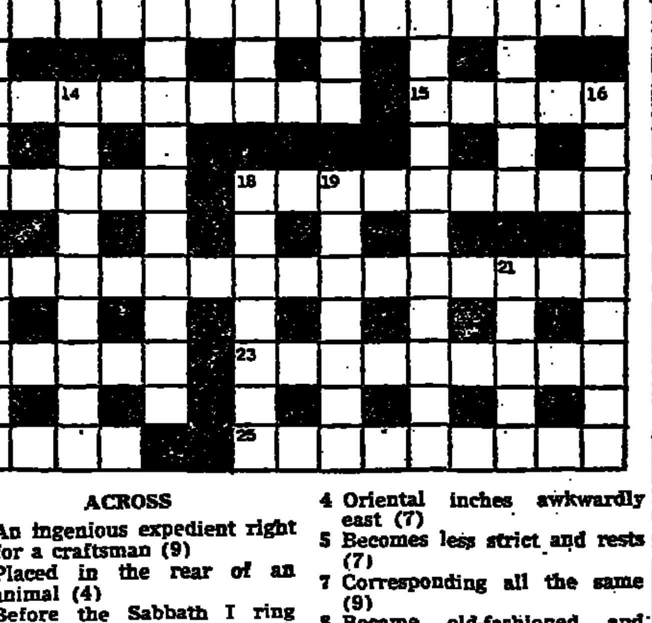
London Broadcasting — 261m and 97.3 VHF

6.00 a.m. "AM": breakfast-time show, with interviews, traffic and travel service, plus sport. 10.00 George Gale talking to London. 12.00 Newswatch. 6.00 p.m. Newsbreak. 7.30 Music in Stereo. 9.00 Love in London. 1.00-6.30 a.m. Nightwatch—news every half hour.

Capital Radio — 194m and 95.8 VHF

6.30 a.m. The Breakfast Show. 9.00 Michael Aspel presents music, guests, competitions and "Swapshop." 12.00 Cash on Delivery. 3.00 p.m. Roger Scott. 7.00 London Today. 7.30 Open Line. 9.00 Your Mother Wouldn't Like It (Nicky Horne's rock show). 11.00 Greg Edwards and his late night show. 2.00 a.m. Night Flight.

F.T. CROSSWORD PUZZLE No. 2,872



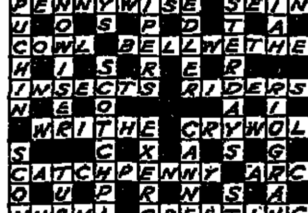
ACROSS

1 An ingenious expedient right for a craftsman (9)
6 Placed in the rear of an animal (4)
10 Before the Sabbath I ring making reference to a garrison (9)
11 Notice eastern exercise is very skilled (5)
12 Usually, at any time now (2, 3, 2, 8)
13 Trainee workers who are getting better (9)
15 Chopped up head of celery and died about it (5)
17 Note to weaver creates hopelessness (5)
18 Takes after engineers, Bless me! That's wrong (9)
20 Saving a roundabout passage and blowing a fuse (5, 10)
22 Ride with the herd (5)
23 Superscribe and exhaust by doing it (9)
24 No direction? Not at all! (4)
25 Sets at liberty accepting far Eastern transport without payment (4, 5)

DOWN

1 Seeming to be coming into sight (9)
2 *Unit of the marines* (5)
3 Pantomimic benefactress (5, 9)
4 Oriental inches awkwardly east (7)
5 Becomes less strict and rests (7)
7 Corresponding all the same (9)
8 Became old-fashioned and courted (5)
9 Disapprove and wear sunglasses (4, 1, 3, 4, 2)
14 Advertising the improvement (9)
16 Differs in opinion and quarrels (9)
18 Clear up but cause cancellation of the event (4, 3)
19 Hide in occult quarter (7)
20 Litter in a motor car (5)
21 Being colder in the Arctic I erode (5)

Solution to Puzzle No. 2,871



هكذا من الأصل

هكذا من الأصل

Cinema

Things to come by NIGEL ANDREWS

Rollerball (AA)
Odeon, Leicester Square
Attila '74 (A)
Academy One
James Whale
National Film Theatre

Why are artistic visions of the future always so stereotyped? Out of every 100 science fiction movies that reach our cinema screens, at least 99 depict the society of the future as a world of glass-and-concrete labyrinths, of uniforms and computers and pre-fabricated food, of Big Brother faces glowering from wall-to-wall televisions, of individuals caught and crushed in the inexorable machinery of push-button bureaucracy. I can't wait for the film that presents future society as sloppy, ill-organised, anarchic, unhygienic, unpredictable and generally "un-futuristic": a far more probable idea of the shape of things to come than the homogeneised versions of time future provided by Messrs. Wells, Orwell, Lang, Kubrick, et al.

Of course American visions of the future tend to be conditioned by that country's endemic horror of communism. The world of *Rollerball* is the world of advanced Statism: the planet Earth has been unified by its common battle for economic survival, and the only political divisions left are between the different ministries who now rule the world—Energy, Luxury, Food, Housing, Communications and Transport. Individuals are told what to do, and do it, and surplus aggression is channelled into the ruthless, ritualistic sport from which the film takes its title.

With the exception of its higher mortality rate, rollerball doesn't look to me markedly different from the present-day equivalent on which it is based—the American roller derbies, which consist of large numbers of well-padded roller-skaters moving at double speed round a banked circuit and interrupting their progress only to take well-timed swipes at the opposition. The 2000 A.D. version of this sport differs only insofar as it allows these swipes to be lethal, and also preserves the right to change the rules five minutes before the commencement of each inter-city contest.

James Caan plays a rollerball veteran who has been with the Houston team for ten years and is now reaching the age when it is diplomatic to retire. Not because he is no longer good enough — he is the team's captain and top scorer—but because it is the policy of the powers-that-be to nip emergent folk heroes in the bud. Having listened politely to the request for his retirement, which falls from the urbane lips of Energy Minister John Houseman, Caan decides to flout it; staying with his team for their next two engagements, the second of which, against New York City, is a game to be played with no penalties, no substitutions, and no time limit . . . Who, if anybody will survive?

Director Norman Jewison gets a lot of mileage — literally and metaphorically — out of the rollerball sequences; slam-bang encounters with no holds barred and several lethal new ones invented and the soundtrack for these scenes is an awesome compendium of grunts, moans, bangs, thwacks, punches and thuds.

Between the set pieces, however, the film stutters along at half speed, depicting Caan's desultory relationships with various colleagues, mistresses and superiors (he has held a grudge against the ruling class ever since his wife was taken away from him to service a senior executive), and the film's futuristic prophecies reach an apogee of solemn absurdity with a scene involving Ralph Richardson as a Geneva librarian coping with a recalcitrant computer. The said computer, which holds the key to All Knowledge, looks and behaves like a fish tank with wind, and nothing in the film is funnier (unintentionally so) than Richardson's attempts to bang it back into operational shape so that a patient Caan can learn the secret of his planet's history.

Despite poor reviews, *Rollerball* has been sweeping all before it at the box office in America, and there is no reason to suppose it will do differently here. With sport becoming daily more gladiatorial a phenomenon—from First Division football to motor racing—there is clearly an audience for this kind of all-stops-out arena warfare. The film, of course, has its cake and eats it: it warns us of the ritualised violence to come and enjoys every minute of putting it up on the screen. But even this routine Hollywood hypocrisy would not matter were the gaps between the film's virtuoso sequences not so very long and solemn and pedantically unimaginative.

*

Michael Cacoyannis's *Attila '74* is a documentary about the Cyprus troubles of last year: juxtaposing reportage of the events that followed upon the coup of July 15 with interviews with some of the key participants. The latter include Nicos Sampson, Glafkos Clerides and Archbishop Makarios, and since each is given room to state his case and give his version of the story, the film has some claim to importance as a historical document.

But it is much more than that. Best known over here as the director of *Zorba the Greek*, Cacoyannis is himself a Greek Cypriot and his film demonstrates an involvement with his subject that informs every passage of this direct, eloquent, harshly-edited film. As much as with the politicians themselves, Cacoyannis is concerned with the suffering of those who have no part in political decision-making: the homeless war victims, living in the diselemented squalor of the refugee camps; a family of six whose father has been shot by an EOKA sniper during a peaceful demonstration; the women waiting for the released prisoners, who may or may not include a missing son or husband; the faces, the looks and gestures of uncomprehending grief.

Films on the horrors of war, it is cynical but truthful to say, come ten a penny: had this film been made by an outsider—as a BBC-style documentary, for example—it would have made no more impact than the news of fresh global disasters that roll round each evening at nine o'clock and ten o'clock on the respective TV channels. But Cacoyannis' film convinces you that it was made not as an assignment but as a compulsion, an act of loyalty and love; and there is as much unspoken passion in his filming of an interview with Makarios—seen wandering with rueful gaze about the ruins of his presidential palace—as in the more emotive footage of the war victims and refugees. The film shows at the Academy One from Thursday, and is one of that cinema's *very* best acquisitions for some time.

James Caan in 'Rollerball'

*

Showing at the National Film Theatre until September 28 is a season devoted to the British-born Hollywood director James Whale. Best known for his quaintly stylish excursions into Gothic fantasy—*Frankenstein*, *The Bride of Frankenstein*, *The Invisible Man*, *The Old Dark House*—Whale was an ex-theatre director who turned his hand successfully to a number of different movie genres, the musical (*Show Boat*), the war film (*Journey's End*, *The Road Back*), romantic comedy (*By Candlelight*), jungle melodrama (*Green Hell*), period adventure (*The Man In The Iron Mask*). The wit and sardonic elegance of his style succeeded, during the 1930s, in transcending some fairly shaky scripts, and collected together for the National Film Theatre season his films provide an excellent companion piece to the NFT's other current tribute, to Universal Pictures.

*

Due to absence at the Edinburgh film festival, I missed this week's Press show of *Petersen*. I hope to catch up with the film and review it next week.

Shaw

Zigger Zagger

In 1967 Peter Terson's play must have had an astonishing impact. A full-throated football crowd on the stage at just the time when the fashion was spreading through the grounds for reclaiming anthems and organising verbal abuse. As a Tottenham Hotspur supporter in that club's last golden era, I remember the admiring cluster of pranksters who gathered around the ageing teddy boys on the half-way line to urge on the entertaining flow of salty wit directed at the visiting team and officials. They have all gone now, the youngest of them to the one end of the ground that, in recent years, has been set back from the field to protect the goalkeepers from coins, bottles and knives.

The good-natured crowd support of the late 'sixties has become something else, as anyone who opens a newspaper knows. A journalist recently remarked that if a revolution ever came in this country it would start at the Liverpool Kop. Last weekend the Minister for Sport claimed that youngsters were gathering from as far as Cornwall to support Manchester United to away matches, expressing a view that there stalks abroad a violent, clannish conspiracy aimed at nothing less than the destruction of the country's transport system, public houses and, indeed, whole way of life.

The barbaric hordes, it seems, are even further than the gates. A little adjustment in Terson's script refers to the invasion of the pitch at Luton last Saturday by Chelsea supporters desperate to avert a *3—0* defeat for their team. The sense of Mr. Howell's moral outrage, the despondency of Mr. Sydney Weighell of the Railwaymen's union — all is ominously prophesied in the play. Nobody has any idea as to what should be done, although private citizens are now advocating the return of the birch and the foundation of Saturday afternoon detention centres. The physical strength of Terson's original, with its banks of swaying, chanting fans acting as backdrop to the neatly told story of young Harry Philton pulled in one direction by the gang's hard, charismatic leader Zigger Zagger and in another by the domestic security of life with his sister and brother-in-law still has a lot to say about the sociological importance of our national sport.

But it has dated in its picture of the fans themselves. The songs on the terraces have a raw brutality unthinkable several years ago. And although I n e v e r s a w Michael Croft's o r i g i n a l production, Kenneth MacDonald's revival strikes me as a pretty lukewarm rehash of the National Youth Theatre's greatest-ever success. It still scores in respect of details: Bill Hope is a magnificently dandyish soccer star, vainly picking his way through the screaming tribe at the supporters' club dance before denouncing them in a pop song as idiots; Nicola McAuliffe reinforces her impression as one of the Company's best young comediennes with her beautifully observed portrait of Harry's sexually insatiable, domestically irresponsible mother; and Patrick Field as Harry himself copes very well with the sentimental twaddle he falls for about following his team to alien grounds in distant cities.

Just as to-day, the pillars of society knit their brows and beat their breasts without ever seriously considering the possibility that hooliganism is a symptom of a malaise for which they themselves are partly, if not totally, responsible. An evangelical vicar decides to join the supporters, telling an empty church that if Jesus were alive to-day he would preach at Wembley. This attitudinising is rightly detected by Zigger as insinuating claptrap. And when Harry rejects both his brother-in-law's lifestyle and the roar of the crowd ("Is there no faith but football?") the ranks close to see him off with the obscene chant usually reserved for an opposing side's goal. What will become of Harry? What *does* become of Harry, and thousands like him? Mr. Terson, quite rightly, focuses our concern. If only, in so doing, the play could tell it how it really is in Manchester, Liverpool or Glasgow.

The play runs at the Shaw until Saturday, September 13, the day Manchester United are due in town to play Queens Park Rangers at Loftus Road. I wonder how many people will be going along to Shepherd's Bush to listen to the anthems and witness the playful exchanges between lovers of the game and cheerful London bobbies. We may very soon be unable to stomach the idea of a soccer match, let alone a play on the subject.

MICHAEL COVENEY

Kenton Theatre, Henley-on-Thames

Lotario by ELIZABETH FORBES

Unicorn Opera, forsaking its well-loved but minuscule old home at Abingdon, has found a splendid new home in the Kenton Theatre, Henley-on-Thames. The atmosphere remains intimate, but both stage and auditorium are less cramped than before. Acoustically the Kenton turns out ideal for music, and though there is no pit, the orchestra, as at Abingdon, is placed in a gallery behind and above the singers. On Wednesday night the first of four performances of Handel's *Lotario* opened this new phase of Unicorn's activity.

Appropriately enough, *Lotario* was the opera with which Handel, after the expiration of the Royal Academy of Music the previous year, inaugurated his new London operatic venture in December, 1729. The Academy's demise had been hastened by the overwhelming success of Gay's *Beggar's Opera*, with its satirical digs at the worse absurdities of Italian opera. *Lotario*, no less than its immediate predecessors, *Siroe* and *Tolomeo*, suffered from these barbs, and only ran for ten performances. It does not seem to have been revived since.

Modern scholars have treated *Lotario* rather disparagingly, but heard in the theatre it is perfectly viable. Not only are there several fine individual arias—all Handel scores contain a number of gems—but the muscial characterisation is strong, based on an excellent plot. Lotario, King of Germany, rescues the Italian Queen Adelaide, whose throne has been usurped by Berengario and his consort Matilde. The villainous pair are defeated and the heroic couple united in love and wedlock.

Alan Kitching, who has translated the text and also directs the opera, has of necessity to forego all spectacle in his production; instead he relies on stylised movement by the singers, and on their ability to project the dramatic content of the music. They do not let him down. As Adelaide, Eiddwen Harrhy sings with ideal firmness and clarity of tone in her big aria of defiance; in the final—and only—duet with Lotario, the bright timbre of her voice contrasts well with the softer grain of John Angelo Messana's countertenor. A Lotario of commanding presence, Mr. Messana has one of Handel's most gorgeous "pathetic" arias, which he sings with loving skill, phrasing its melody in a beautiful arc.

Sydna Withington makes a believable human being out of the evil Matilde, an embryo Lady Macbeth, as Mr. Kitching points out in his programme note. She spits out her angry coloratura with fire and precision. Neil Jenkins, in the tenor role of Berengario, also lends credibility to the character, and has some forceful music to help him. Linda Hirst suffers nobly as Idelberto, whose unrequited love for Adelaide is at least rewarded with a kingdom. Nicholas Kraemer conducts the Raglan Players, managing a most commendable ensemble although he can only see the backs of the singers' heads.

EDINBURGH FESTIVAL

Young Lyceum

Games by B. A. YOUNG

It's Midlands Week at Edinburgh, with Nottingham's *As You Like It* at the Lyceum and Andrew Cruickshank's *Games*, nurtured in Leicester, at the Young Lyceum round the corner.

Games is one of those pieces where a sudden emergency strips all the concealment from the lives of an apparently normal family and reveals the hidden truths that motivate their lives. Mr. Cruickshank himself plays Owen, the head of this family, a former history don who has migrated to the City. He has a wife with whom he has lived through 30 years of politely veiled dislike, and two sons, Edward and Philip. Philip teaches in a prep school; Edward is a mongol and has a mental age of ten.

Into this circle is fired Therese, a neighbour's daughter. She has just been fined for taking part in a demo at Porton and sent down from her college, circumstances which Owen regards as appalling, though they must be familiar enough to most students nowadays. It is her arrival that sparks off the family revelations, which are codified into a macabre game under Philip's leadership.

Philip, in fact, so takes over that Therese's presence seems almost incidental from then on, and it is a characteristic shortcoming of the play that too many hares are started but not pursued. But it makes room for some interesting playing by the company, which, besides the author, includes Shelagh Fraser as Owen's wife, David Quilter as Philip, Linal Haft as Edward and Catherine Kessler as Therese. The director is Anthony Cornish.

Anne Howells and John Brecknock in 'La Belle Hélène,' opened last night at the Coliseum

Albert Hall

Peter Grimes by MAX LOPPERT

All opera is diminished by concert performance, but some operas suffer more than others. *Peter Grimes*, which on Wednesday the Royal Opera brought to the Proms fresh from its triumphant new staging evidently belongs to the former. With Colin Davis in unflagging, galvanic form on the podium, Jon Vickers in searing, elemental voice in the title part, and the Royal Opera Chorus keyed up to a hair-raising responsiveness of ensemble, the musical side of the performance was as keenly satisfying and scrupulous in preparation as it had been in the opera house. Yet Britten's opera itself seemed to be exposed, away from the stage, to an X-ray scrutiny which threw into uncomfortable clarity flaws and weaknesses forgotten in the heat of live drama.

Thrown closer towards the sense of Montague Slater's libretto, without the absorbent effects of sympathetic action, one noticed all too often the moment of poetising, even began to feel an overall failure to strike any consistently convincing manner of diction. This, in turn, had the effect of highlighting the sections where one little formal genre piece follows another without quite achieving the accumulation of dramatic impetus one expects. The fact that such doubts, if they surfaced at all, were speedily suppressed at Covent Garden last month, should only serve to show just how instinctive an operatic composer Britten is; but the patches of compartive low tension on Wednesday—Act 3 took surprisingly long to wind up towards the ferocity of the hunt—also served as a reminder that the success of *Peter Grimes* is no longer an automatic assumption.

Yet there were moments of gain to balance the scale. One had time to appreciate again, in the best of the clear-cut musical episodes, especially those drawing back to summarise a single mood or reflection, marvellous things about the music — the tingling, plaintive scoring for wind, the serio-comic, then suddenly threatening sounds from unlikely tambourines, the still wholly original-sounding vocal arches. The quartet for women, though Mr. Davis might have relaxed into it a little earlier, was ravishing — the Auntie "family" of Mesdames Bainbridge, Cahill and Pashley lending eloquent support to the Ellen of Heather Harper in resplendent, soaring voice (there was little attempt to stage the opera in the Glyndebourne Prom manner; but Miss Harper's queenly gown and coiffure chased the mousy, maternal school-teacher unnecessarily far from visual verisimilitude).

And time to appreciate, too, the vocal wealth in a gallery of tangy, rounded cameos—notable among them Gwynne Howell's sepulchral Hobson, Heather Begg's nooked-and-crannied Mrs. Sedley, Forbes Robinson in particularly ripe and swollen voice as Swallow. Norman Bailey, Balstrode at the later Covent Garden performances, is to-day just about its best exponent, in the vocal and personal communication of a salty humanity—but it's a blank part. If the Prom came to dramatic life at all, however, it was around Jon Vickers — craggy, thunderous, awesome in intensity and heart-rending when mad. The poetry sat, as ever, strangely on this Peter's lips: not so the storms of anguish and fury.

Festival of Festival of Britain

In November next year the Victoria and Albert Museum is to stage a major exhibition to celebrate the 25th anniversary of the Festival of Britain, 1951. It will be called *A Tonic to the Nation*—a phrase originally used in 1951 by the Festival's Director-General, Sir Gerald Barry. It is hoped that the Queen Mother will open this show, as she and King George VI opened the original Festival.

The organisers are Mrs. Mary Reyner Banham, the art historian, and Bevis Hillier, Editor of The Connoisseur. The designer is Christopher Firmstone.

The exhibition will have two main aspects. First, it will display reconstructions of the Festival, and where possible surviving exhibits. Secondly, it will attempt to show what life in general was like in the Britain of 1951. The organisers most ambitious project is a reconstruction of the Emett miniature railway which, they hope, will carry visitors around the exhibition.

BOUM! goes on at the Greenwood

Actor/director Barry Dennen directs his own new musical *BOUM!* at the Greenwood Theatre, London, S.E.1, from September 9-20, nightly at 8 p.m.

In it Dennen, who will be remembered for his playing of the role of the MC in the London production of *Cabaret*, takes a panoramic view of the best of French popular song from the turn of the century and uses songs from the music halls, night clubs, cafes, and cabarets.

The cast is Pamela Strong, Mary Preston, Richard Owens, and Nigel Williams. The musical director is Roy Civil and the choreographer Nita Howard.

WORLD TRADE NEWS

W. Germany benefits from growth of Eastern trade

BY GUY HAWTIN

FRANKFURT, Sept. 4.

WEST GERMANY'S trade with Eastern Europe is providing a useful cushion against the current recession and the stagnation in trade with its traditional Western partners.

In the first six months this year, exports to Eastern Europe totalled DM8.4bn.—22.3 per cent. up on the same period of last year. But imports from the area declined slightly as a result of the present down-turn in domestic demand. They were off *0.8 per cent. at DM3.9m.*

During the first six months there was a substantial increase in the importance of East Europe as a trade partner for the Federal Republic. According to the Dresdner Bank here, Eastern Europe accounted for 6.2 per cent. of total West German trade turnover, compared with 5.4 per cent. in the January to June period of 1974.

The imbalance of trade in West German's favour also widened further during the first half of 1975, showing a DM4.51bn. surplus—some 52.9 per cent. up on the DM2.95bn. recorded in the first six months of 1974. The surplus with Eastern Europe amounted to almost a quarter of West German's first half 1975 trade surplus.

Most of West Germany's trade with the East European partners is in industrial plant and machinery for the expansion and re-equipment of the area's industry. The Dresdner Bank also points out that as well as a strong marketing effort, West Germany has recently been benefiting from healthier credit terms.

In the first half of this year exports to the Soviet Union rose by 66 per cent. compared with the same period of 1974, to DM3.19bn. At the same time imports from the Soviet Union—largely raw materials and semi-finished goods—fell by 9 per cent. to DM1.45bn.

West Germany's second most important Comecon export market is Poland, but here there was a trade decline after a power*ful expansion last year. Polish* exports to West Germany sank by 2 per cent. against the same period of the previous year, to DM637m., while the Federal Republic's exports declined by 14 per cent. to *DM1.45bn. as the* Poles appeared to be fighting to bring their chronic deficit with West Germany under some sort of control.

In Asia, there was a steep 26 per cent. rise in exports to China in the first half bringing the total to DM5590m. Imports from China went up by 11 per cent. to DM251m., but the trade gap in *West Germany's favour widened* from more than DM100m. to well over DM300m.

● About 360 West German firms and industrial concerns with 1,000 businessmen, techni*cians and engineers have* arranged the biggest industrial exhibition ever shown in China. West German economics Minister Hans Friderichs will open the Technogerma 1975 to-morrow in Peking.

U.S.-Bulgarian talks end

BY PAUL LENDVAI

VIENNA, Sept. 4.

AN IMPORTANT breakthrough appears to have been reached at the first sessions of the Bul*garian - American economic* council, which ended yesterday in Sofia. According to the BTA news agency, the joint protocol signed by Mr. Hristo Hristov, deputy Foreign Trade Minister, chairman of the Bulgarian side, and by Mr. William May, President of the American Cam company and chairman of the U.S. group, expressed satisfaction with the expansion of the Bulgarian-American trade, which jumped from $11m. in 1973 to $30m. last year and is expected "at least" to double this year.

Mr. May stressed the importance of "turning contacts into contracts" and told BTA that the "extremely fruitful" session will contribute to the strengthening of bilateral friendly relations. Mr. Hristov said that there were realistic possibilities for big projects of economic, industrial, scientific and technological co-operation in such fields as ferrous and non-ferrous metallurgy, mining, electronics, engineering, chemicals, telecommunication, light industry, farming and food industry. A contract was signed by Mr. High Cullmann, President of Philip Morris International and Mr. Dimiter Yadkov, Director-General of Bulgartabac, a State corportion, for the production of Marlboro cigarettes in Bulgaria under U.S. licence.

Austria plans major export drive

BY OUR OWN CORRESPONDENT

VIENNA, Sept. 4.

FACED for the first time in many years with a 4 per cent. fall in Austrian exports this year, the Federal Chamber of Economy has decided to launch an ambitious and concerted world-wide export promotion campaign next year.

Special shows at international trade fairs are planned, particularly at specialised fairs, as well as Austrian industrial exhibi*tions, fashion shows and sales* campaigns in selected stores and trade chains.

Decline in Swiss workforce

By John Wicks

ZURICH, Sept. 4.

BOTH THE number of industrial premises and the industrial workforce in Switzerland have declined in recent years, according to a survey prepared by the Society for the Promotion of the Swiss Economy. The number of premises classed as factories under the country's labour law fell annually from 1966 to 1974 to a level of 10,351 units (from 13,360), while the industrial labour force reached a peak of 882,414 in 1969 and has since shown a regular decline to reach 805,237 last year.

Only the plastics and chemicals industries and the sector engaged in manufacturing drinks have shown a rise in their total workforce in the 1966-74 period. Falls of less than 9 per cent.—*the overall average drop*—came in the printing trades, the foodstuffs sector, machine-building and the metal industry, industries with larger labour shrinkage including the watch, paper and *wood industries* and, *with* rates of around 30 per cent., the textile, clothing, tanning and musical instrument sectors.

In September last year, some 3,303,598 foreigners were employed in Swiss industrial undertakings, or 1 per cent. more than in 1967. In the textile and clothing industries more foreigners are employed than Swiss, says the report.

Orders fall for machines

By Our Own Correspondent

ZURICH, Sept. 14.

THE SWISS machine-building industry reports a sharp decrease in standing orders over the first half of this year. At mid-year, according to the Association of Swiss Machine Builders, orders on hand were equal to 8.2 months' work, a level 10 per cent. lower than at the end of last year and 24 per cent. below that for mid-1974.

A particularly sharp drop, of 28 per cent. during the first half of 1975, was in the textile machinery sector, now with an average of 9.8 months' work in standing orders, while the order books of the machine-tool industry shrank by 13 per cent.

Burma signs for UN aid

RANGOON, Sept. 4.

A PROJECT document for $2.5m. United Nations Development Programme (UNDP) pre-investment and investment assistance for Burma was signed here yesterday between the Burmese deputy Finance and Planning Minister U Myo Myint and the local UNDP representative Mr. Semerdjian.

It is intended to be carried out by the International Bank for Reconstruction and Development (World Bank) in three years, to assist the Burmese Government *in identifying priorities* and developing its own project preparation capacity to accelerate economic development through capital investment.

Under the project, feasibility studies will be undertaken for expanding of rice cultivation, rehabilitation of rubber plantations, hydroelectric power development, expansion of civil aviation services, improvement of highways, expansion of urea fertiliser production, establishment of an iron and steel industry, and hotel development.

The total UNDP contribution *of $2.5m. will be augmented by* a contribution of Kyats 637,000 (about $100,000) from the Burmese Government.

MANILA DEFICIT

MANILA, Sept. 4.

THE PHILIPPINES ran a $23.6m. deficit in its trade with Communist countries during the first six months of 1975, according to figures published to-day by the National Census and Statistics Office. Most of the deficit was attributed to trade with China.

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Barclays Cairo ba[nk] opens in spite of Arab boycott thre[at]

BY MICHAEL TINGAY

CAIRO, S[ept. 4.]

CAIRO Barclays International, an off-shore foreign currency joint venture between Barclays International and Banque du Caire, opened its doors for business to-day in temporary offices in Cairo's Meridien Hotel.

Barclays International only arrived in Egypt in January this year and received their Presidential decree three months ago. The $10m. capital of the new bank is shared equally between the two *partners* and their hope is that Cairo Barclays will move quickly into the convertible currency business currently dominated in Egypt by the Arab International Bank.

The opening *had been held up* further by a restriction forbidding the directors of an Egyptian bank to sit on two bank boards. According to banking sources this anomaly, which prevented the Banque du Caire directors from sitting on the CBI board, was clarified last week with a law passed by the People's Assembly permitting such double directorships in joint ventures like Cairo Barclays.

Ironically the new Barclays operation opens only four days after the Arab Boycott Office, *during* its ten-day twice-yearly conference, reportedly issued a four-month warning to the bank that it would be blacklisted if it did not cease operations in Israel. This could *put* Egypt in *an odd position* should the threat be carried out, since Barclays is not really in a *position* to abandon the offending opera[tion].

It is symptomatic of [the con]fusion which characte[rises...] envelops the ill-organis[ed] Boycott Office that there [was] offence taken only thr[ee ...] ago when Barclays par[ticipated] in a much-publicised *Eurocurrency developm[ent]* for Iraq without arou[sing the] ire of Commissione[r] Muhamed Mahgoub of [the Boy]cott Office.

Meanwhile three cont[radictory] accounts of the pos[ition of] British Leyland have [come] from different sources [at the] conference. On Sept[...] conference sources wer[e ...] that British Leyland [...] removed from the bl[acklist, a] logical step since [...] representatives, who [...] start up a Land Rove[r ...]tion operation in A[...] have been bending o[ver back]wards to comply with [...] of the Boycott Office all[...].

Yesterday a spokes[man was] quoted as saying that [...] to remove British Ley[land was] *deferred because of* i[...] documentation. Finally [...] with usually reliabl[e ...] sources at the Arab Le[ague the] story presented was [...] British Leyland issue [had not] been discussed at all d[uring the] ten-day meeting.

A possible explanatio[n ...] boycott officials have d[...] implement fully their [...] policy of not announc[ing which] companies have been [removed] from the list.

Fiat launches new tru[cks]

BY TERRY DODSWORTH, MOTOR INDUSTRY CORRESP[ONDENT]

WITH A range of completely new heavy trucks, Fiat to-day launches a strong challenge to other European manufacturers in the increasingly competitive 30 to 40 ton market.

Called the 170/190 *series*, the Fiat vehicles follow sharply on the heels of similar products from the U.S. multinationals Ford, Bedford (General Motors) and Seddon Atkinson (Interna*tional Harvester*), all *produced* within the last 12 *months*. In the U.K. Fiat aims to introduce the trucks some time next year, as they spearhead an ambitious drive to build its sales from 0.7 per cent. *of the market to 10* per cent. by 1980.

Fiat already has vehicles competing in the very [...] of the lorry market. [The] 170/190 range marks [the intro]duction of a new Fia[t ...] bhp diesel engine, [...] with entirely re-design[ed suspen]sion and transmission. [The] cab is also substanti[ally re]designed to give a wi[der Euro]pean appeal than [...] models, and Fiat, whi[ch in the] past has made as mu[ch of the] vehicle in-house as p[ossible, is] offering a choice of eit[her ...] or ZF gearboxes.

Earlier this year it [...] a merger with Magir[us ...] creating the Iveco hol[ding com]pany, which now emb[races pro]duction units in Ital[y, France] and Germany.

Ford to ask Congress for $2.3bn. in aid for Israel

BY ADRIAN DICKS

WASHINGTON, Sept. 4.

PRESIDENT FORD and Dr. Henry Kissinger today began the delicate task of trying to persuade a hesitant Congress to approve the Sinai peace agreement, and, in particular, the stationing of some 200 American civilians in electronic monitoring posts between the Egyptian and Israeli forces.

At the end of a meeting this morning with the President and Secretary of State, several senior Congressional leaders of both parties appeared confident that the monitors scheme would be approved eventually but not before it has been very closely scrutinised.

Senator Robert Byrd, assistant majority leader in the upper house, said the Administration was pressing for approval within the next two-and-a-half weeks and said the chances of this now appeared "better than 50-50."

He also revealed that President Ford will formally request up to $800m. in economic aid for Egypt as part of the settlement, together with a total of some $2.1-$2.3bn. in economic and military aid for Israel. The figure for Egypt is a good deal higher than the $400-$500m. being mentioned last week during the course of Dr. Kissinger's shuttle.

Senator Byrd also said that the aid request would come before Congress separately from the question of the U.S. observer group, and hinted that it might run into some trouble when he remarked that "the general impression is that the Israelis are pretty well armed already."

Most individual Congressmen's reactions to the posting of the U.S. observers continue to be cautiously favourable, but a better impression was expected to emerge after Dr. Kissinger's appearance before the Senate Foreign Relations Committee this afternoon.

The Secretary of State was to go into detail for the first time—behind closed doors—on the understandings furnished by both Israel and Egypt to the U.S. in the margin of the document signed in Geneva to-day. Dr. Kissinger would undoubtedly prefer that most of these informal pledges, some of them believed to have been made orally by him without written records, remain strictly classified. He will seek the support of Congressional Republicans and more conservative Democrats for a published version of the agreement and its ancillary understandings that keeps specific detail to a minimum.

Some democrats, led by Senator Henry Jackson, a leading candidate for the 1976 Presidential nomination and the Secretary's persistent critic, are pressing for everything to be put on the table. Yesterday Mr. Jackson called specifically for Dr. Kissinger to supply details of what written assurances he had obtained from the Egyptians.

Reservations extend to other leading democrats who are far from Senator Jackson's camp. Senator John Stennis, the influential chairman of the Armed Services Committee, has gone out of his way to call for "full disclosure" by Dr. Kissinger and is expected to hold hearings of his own in addition to those of the Foreign Relations Committee.

All this bears witness to the damage Dr. Kissinger's reputation has suffered in recent months, and it appears that all his and President Ford's efforts to smooth the path for the Sinai agreement's approval will not succeed unless Congressmen of all shades of opinion can be convinced that the Secretary is being candid with them.

IMF gold sales will not flood market

BY PAUL LEWIS, U.S. EDITOR

WASHINGTON, Sept. 4.

AST weekend's decision by the MF interim committee to sell f one-sixth of the Fund's gold oldings to raise development nance is unlikely to lead to an arly or substantial flow of ullion onto the private market n the view of senior officials ere.

The IMF managing director, r. Johannes Witteveen, has ready warned that the Fund ill not be in a position to start isposing of any of the 25m. unces earmarked for sale until e early part of next year, and is clear that the Fund staff ce formidable difficulties in vising an acceptable gold sales licy.

The basic dilemma before the und is that while it wants to et the best price possible for s gold as the proceeds are to used for development finance, is under the same injunction the member governments of e group of ten to avoid pegging e world gold market in any ay, so effectively re-establishing official price.

This dilemma is heightened by e fact that the Fund does not t know whether central banks f the group of ten or of other ountries will be interested in king up any of its gold at a egotiated price, or whether it ill be forced primarily to dispose of its holdings to private vestors.

There has been much speculation that some central banks and in particular those of the big oil exporting countries wish to diversify their reserves by purchasing gold, but that the fear of forcing the price through the roof has kept them out of the free market so far.

The fund sale might thus offer them a chance to swap dollars for gold at a negotiated price that would not affect the free market level, although as yet there is absolutely no hard indication that this could happen. On the other hand some officials at the annual IMF meeting are arguing that the mere prospect of the IMF becoming a net seller on the free market has tilted the balance of supply and demand, making a further sustained price rise unlikely and gold less attractive than before a store of value.

How the IMF could sell its gold holdings to central banks without establishing something very close to an official gold price, is a problem to which no one yet has a convincing solution. But if the Fund is forced to use the free market, then its main interest will be to avoid a sharp price break and the volume of sales is likely to be adjusted accordingly. This alone suggests that there is unlikely to be an avalanche of IMF gold onto the free market in the foreseeable future.

$2m. Lloyd's contribution to Penn Central plan

BY GUY DE JONQUIERES

NEW YORK, September 4.

LOYD'S of London has agreed contribute almost $2.4m. wards a proposed $12.6m. ttlement of legal claims against rmer executives of the Penn ntral and others connected th the bankrupt railway mpany.

Lloyd's had issued a $10m. urance policy to the company cover former Penn Central ectors and executives. Lloyd's s new agreed to drop a law t of its own which sought to cind the policy.

The tentative settlement is igned to end a torrent of suits brought by former Penn ntral shareholders which urged the defendants with eliction of duty and responsibility for issuing false financial tements and misleading proxy terial about the company r a period of years.

The Penn Central bankruptcy, ch occurred in June 1970, one of the biggest recorded the U.S. in recent years and t shock waves through the ncial markets. The company now operating under Chapter of the Bankruptcy Act, pending its financial reorganisation.

The lawsuits, some of which e filed by trustees for the krupt company, named about former directors and cutives of the Penn Central, t Marwick Mitchell, their ounting firm, and two of their investment bankers, Butcher and Sherrerd of Philadelphia and Glore Stauss.

The proposed settlement calls for contributions by many of the defendants individually, among them Penn Central's former chairman, Mr. Stuart Saunders, and the former U.S. Ambassador to Britain, Mr. Walter Annenberg, who was a Penn Central director.

The size of most of these contributions has not yet been disclosed. The largest single payment so far revealed, $700,000, is to be made by Penphil, a private investment concern set up by former senior Penn Central executives and a group of outside associates.

The bulk of the $12.6m. settlement will be awarded to the trustees and shareholders of the Penn Central, each group receiving a total of $4m. The remaining funds will be split up between Penn Central bondholders, shareholders in its subsidiaries and the Penn Central group itself.

The tentative settlement, which has been accepted by lawyers representing the trustees and shareholders, could be challenged by individual shareholders. It will probably not become clear whether such action is planned until after full details of the provisions are published to-morrow.

SEC move on exchanges

BY JAY PALMER

NEW YORK, Sept. 4.

E SECURITIES and Exchange mmission, turning its sights on erica's largest Stock Exanges, is making yet another e to promote what it sees as competition in the U.S. urities industry.

n a letter to Congress, the revealed that it now plans modify or possibly even eliminate altogether present "anticompetitive" exchange rules ch prohibit member broker firms from trading off hange floors.

The agency's new trust seems end its numerous attempts the past 10 years to seek voluntary co-operation of the hanges over changes to these s. Opposition to any mandareform can be expected to especially bitter since the urities industry sees itself as reeling from the last dose rdered change, the ending of d brokerage commission fees May.

While all of America's many hanges have rules banning exchange trading, the most ificant and most restrictive he one set out by the New k Stock Exchange. This specifically forbids any NYSE member firm from trading in any NYSE listed securities in any market other than the Exchange without authorisation.

This limit on over-the-counter market trading is described by the SEC as "absolutely and categorically anti-competitive" in that it prevents brokers from looking elsewhere for the best possible trading price. NYSE opposition centres on the assumption that off-floor trading would drain business from the exchanges and critically undermine the principles of an auction market.

From the NYSE's point of view, the threat that member firms might be allowed to bypass the exchange is a very real one. Very recently Merrill Lynch, the nation's largest brokerage firm, announced plans to make its own "off-floor" markets in odd-lot shares—very small deals which carry a penalty exchange fee.

Given the SEC's long-standing dreams of forcing a change to these rules, it would be unrealistic to expect this drive to fail now that the agency has the authority.

Argentina's problems are being compounded by the indecision of Sra. Peron. **Robert Lindley**, Buenos Aires Correspondent, reports that she might soon be off into

Retirement or a rest cure

A PERONIST spokesman has now gone on record as saying quite definitely that President Maria Estela Peron will take a holiday during which Senate President Italo Luder will assume her mandate. Sra. Peron has been vacillating increasingly, and with increasing ineptness, since the army, the Roman Catholic church, political figures and the public in general forced the departure from Argentina of her sometime eminence grise, and Astrologer Jose Lopex Rega, six weeks ago.

The spokesman who brings the "official" version of Sra. Peron's imminent departure, if temporary, is Peronist Senator Vicente Saadi, one of the score of upper House members who, with their wives, were feted by "La Presidente" at the presidential villa in the Buenos Aires suburb of Olivos on Sunday. Senator Saadi has said that, in his opinion, Sra. Peron needs "a period of absolute rest" and that she said during the Sunday outing that she will go on leave for about a month and a half.

Anonymous

Others who were present, and who have preferred to remain anonymous, have reported variously that Sra. Peron said that she lost more weight during her recent week's holiday at the Atlantic resort Mar Del Plata, that she now weighs barely 41 kilogrammes (about 90 lbs.), and that Senator Luder is "a capable Peronist who has my complete confidence."

This latter Presidential statement would seem to be yet another of "Isabelita's" by now characteristic about-faces. In June when the Peronist senators, led conspicuously by members Luder and Saadi, voted—with the support of most of the opposition—Senator Luder into the vacant post of Senate President, Sra. Peron reportedly castigated him as a "Judas." With the post of Senate President vacant, as it had been since April, thanks to a manoeuvre of Sr. Lopez Rega, the first in line to take over the Presidency should Sra. Peron have stepped down—then, as now, a possibility—would have been Sr. Lopez Rega's son-in-law, Raul Lastiri. At the time Sr. Lastiri was president of the Chamber of Deputies, a post he has since been obliged to give up.

On Monday this week, Sra. Peron went to Government House for the first time in 17 days and, receiving the new army commander, General Jorge Videla, in an audience which was announced as one of pure formality remained with him for 55 minutes. Last week, her prolonged refusal to name General Videla the new army commander apparently nearly touched off rebellion in the officers corps, so the lengthy audience with a General committed to democratic principles, totally opposed those of the departed Sr. Lopez Rega, was an example—if one was needed—of her and Sr. Lopez Rega's loss of all effective power. Power now mainly seems to be in the hands of the union leaders and a few politicians, with the services "guaranteeing the process."

Embarrassed

On Tuesday Sra. Peron flew to the remote North-Western province of Tucuman to be present at the re-opening of a sugar mill, which promises to provide jobs for many of that guerilla-infested province's unemployed. There she adopted an ambivalent tone on the subject of a Presidential leave of absence. "If I'm suited for the office, I'll stay," she shouted through the microphones at the crowd, "and if I'm not suited, then let someone else who is capable govern." Senate President Luder, a quiet-spoken professor of constitutional law, was on hand, somewhat embarassed, having been flown to Tucuman in a separate plane.

If indeed Sra. Peron does delegate her tattered mandate, as Senator Saadi vouches that she will, it will be a simple affair if she does not leave the country for her holiday. Then all that is needed is a Presidential memorandum to Congress, and Senator Luder takes over from her. But if she leaves the country, a Congressional leave of absence is necessary, and Senator Saadi spoke of "a prolonged leave of absence."

It is here that the doubts that she would return to take up her mandate again begin to deepen. Should Sra. Peron indeed go abroad, her most logical destination would be Madrid, where the 17 de Octubre mansion she inherited from General Peron awaits her. General Peron lived there during most of his Spanish exile with Isabelita and, in the later years, with Sr. Lopez Rega in attendance as his private secretary. Sr. Lopez is living at the Peron Madrid mansion again now, and few here believe that if Sra. Peron takes up her tranquil previous life in Madrid she will return to the turmoil of summit politics in Argentina.

It is remembered that new Presidential elections are scheduled here for early 1977. Sra. Peron on "prolonged leave" outside Argentina, with Senator Luder, one of the most respected Peronist political figures, as acting President, would be a face-saving arrangement, many say, for the Peronist party. This is said to be particularly so since what has become known as "the scandal of the cheque" came before the public a month ago. The cheque was one signed by Sra. Peron transferring more than 31,000,000 new pesos from the coffers of a charity, called the Justicialist Solidarity Crusade, funded by government and Peronist party moneys and presided over by the President, to the estate of the late General Peron. At the time the cheque had the value of about $850,000.

'El cheque'

When the report of the cheque came out, spokesmen for Sra. Peron said she had simply made a "mistake," and the money has since been transferred back from General Peron's estate, in other words from Sra. Peron's private account, to the charity. But pressure for a clarification of "el cheque" both outside and inside the Peronist party continues and Sra. Peron's "suitability" for the Presidency has been drawn seriously into question.

EUROPEAN NEWS

PORTUGAL'S CONTINUING CRISIS

No end in sight

BY JANE BERGEROL IN LISBON

IT IS TEMPTING to see Portugal's political struggle as a straight fight between the Communist Party and its opponents. But, were it as simple as this, the two months' *long crisis could probably have* been solved some time ago.

At it is, a series of stalemates have occurred between the various factions inside the armed forces, ranging from the Communists and extreme Left through vague radicals to Socialists, while in the country at large, a wave of anti-Communist violence, spurred by agents provocateurs, has brought to the surface the people's desperation at a variety of economic and political problems *plaguing Portugal.*

Domination by Communists and the extreme Left against more moderate Socialists in the armed forces has alternated with domination by the so-called moderates, a disparate group of Social Democrats and more radical leftists—in a befogging jigsaw puzzle of shifting alliances among Army, Navy and Air Force.

Only the political parties themselves have kept to a constant position—Socialist and *Popular Democrat conditions for* re-entry into a representative Government were stated in mid-July when they resigned from the fourth coalition Government still under the premiership of the Communist-sympathising General Vasco Goncalves. While there is still no sign that all of these conditions will be fulfilled, were the Com*munists to be defeated and* rolled back from their domination of the fifth provisional Government, the other *side appears to be reasonably* confident that the moment is approaching for its comeback. The Communists are now in decisive retreat, but the allegiances within the Armed Forces Movement, between the Social Democrats and those of the more or less extreme Left, still make it difficult to predict just what comfort a Communist *defeat will bring to the Social* Democrats.

Although Portugal cannot be said to be in the grip of a military dictatorship—divisions and indiscipline continue to make any form of dictatorship completely impossible by force of arms—the military are still calling the tune. And this week's Army, Navy and Air Force *assemblies building up to the* AFM general assembly called to appoint a new Supreme Revolutionary Council are regarded as a crucial turning point in the 16-month-old revolution.

President Costa Gomes has been desperately trying to reunite a movement divided into so many factions that it is *difficult* to chart accurately their position. The pro-Communists have always been in a minority, though they controlled the im*portant Fifth Division, which was* responsible for cultural action and political education. The Copcon security forces are split between Social Democrats and the extreme Left, and the rank and file, though supporting to some extent both Communists and extreme Leftists according to the units and their geographical location, are even more massively behind the co-called "*moderate*" group of nine officers led by the former Foreign Minister, Major Melo Antunes.

> "What is now worrying Portugal's three largest parties . . . . is their ability to restore orderly Government and reflate a battered economy. If they fail, they also stand to lose the respect of the people."

Armed confrontation between the various armed forces factions, although constantly in officers' minds these days as their mens restlessness increases and violence sweeps the country, still seems a remote possibility "Whoever moves first will be defeated," one officer explained. Massive support for the so-called moderate line among northern Army and Air Force units would not facilitate a pro-moderate coup in Lisbon, where units are fragmented between Communist, extreme Left and Socialist supporters. And Lisbon must be taken for a coup to succeed. Similarly, if the Communists and extreme Left managed to move first in Lisbon, they would face the legions of northern Portugal sooner or later in a still unacceptable bloody confrontation.

"The difference between us and the Spanish is that we are vain and they are proud. A vain man is afraid of fighting in case he loses face. A proud man is proud to lay down his life"—perhaps a cruel comparison, but one that is felt by many Portuguese to be true. More specifically, *commading officers* of many units are uncertain their men would follow an order.

At Tancos on Tuesday, where the army assembly voted massively against General Vasco Gonclaves' appointment as chief of staff of the armed forces, the atmosphere was one of relief. Officers from rival factions strolled arm in arm: a scapegoat for their divisions and bitterness had been found and General Goncalves helped to hammer the *nails into his own* coffin by his disastrous loss of self-control in a last-minute address to the meeting. The Navy assembly which met on Wednesday produced the expected pro-Goncalves line, but the Navy alone is in a minority, and aside from Marine units has no ground troops to impose its line. Leading pro-Communist naval officers may end up as Communist Party scapegoats too. Cleverly, the appointment of a Navy man, Admiral Pineherio Azevedo as the new Prime Minister (though he has yet to *be sworn in) is calculated to rally* the Navy back behind the armed forces leadership even if Goncalves is ousted as now *appears certain.*

Thursday's Air Force assembly was widely expected to follow the Army line, particularly since the Communist-dominated morning newspapers began a concerted campaign against the Air *Force chief of staff to discredit* him and the Air Force. Crucial will be the general assembly of the whole movement where President Costa Gomes, the most ubiquitous of the armed forces leaders, will gladly bow to a majority decision, on the anti-Communist side.

This will be made possible by the Army's—probably followed *by the Air Force's—decision to* boycott a general assembly unless it is radically altered back to an elected body. After the March 11 failed Spinolist coup, it became a handpicked bunch of Communists and extreme Leftists overwhelmingly from the Lisbon area. The Army wants to see at least proportional representation from all regions and elected membership, with some also pressing for secret ballot decisions. But, given the possibility of a victory of the group of nine this does not mean a social democracy springs immediately to life in Portugal. There are those within the group, aware that fresh elections could produce a conservative victory, who prefer a liberal, free but non-elected Socialist regime under military guardian angels which would *allow their basic aims of a* Socialist society to be given a fair try. Such officers have received guarantees from a *number* of leading Western countries that their scheme would be acceptable and aid would begin to flow back to Portugal.

They are, in the last analysis, as far removed from the extreme Left as they are from the Socialists—and their power base consequently could prove extremely fragile. Whether Presi*dent Costa Gomes leans more* towards this faction of the nine than to the pro-Socialists is a moot point. General Otelo Soraiva *de Carvalho, chief of Copcon, has* also flirted with this group. The mood of the country however is of growing derision for the endless infighting among the soldiers. While many people clearly hope the "group *of* nine" will come out on top, thus shutting the door on the spectre of Communist domination, the inability of the group, despite successive mani*festos, to impose itself clearly* and decisively has ended its reputation. The nine have lost much popular respect though perhaps *not so disastrously* as to destroy their authority should they end up the military masters of a new coalition Government.

What is now worrying Portugal's three largest parties, being considered by Admiral Pinheiro *Azevedo for a sixth coalition of* Sociailists, Popular Democrats and Communists, is their ability to restore orderly Government and reflate a battered economy. If they fail, they also stand to lose the respect of the people. This goes a long way towards explaining Dr. Mario Soares' statement in a letter to the President that the Socialists "do not want to *predominate*" in a new Cabinet—and thus be liable for a larger portion of blame, quite apart from not being certain their con*ditions for participation will be* fulfilled. Whatever the outcome of this week-end's crucial armed forces meetings, it is increasingly obvious that no one faction will be able to claim victory and that it will be many months yet before Portugal's long march towards a viable political system settles into a firm and stable path.

Right-wing backlash fears grow

By Jane Bergerol

LISBON, Sept. 4.

ARMY OFFICERS were meeting here to-night to decide whether or not to carry through their decision to boycott to-morrow's Armed Forces Movement general assembly.

The meeting is considered crucial to whether Communist-sympathising General Vasco Goncalves is once and for all rejected as chief of staff of the armed forces. It is also designed to vote in a new Revolutionary Council, thereby confirming defeat either for the Goncalves pro-Communist faction, or for the "Group of Nine" more moderate officers.

To-night's gathering came against mounting fears among armed forces officers that the current confusion and divisions within their ranks, added to the imminent formation of a sixth provisional Government likely to be a more stable and lasting Cabinet than its predecessors, could prompt *another right-wing coup attempt.*

The news that ex-General Antonio de Spinola is back in Europe, and reportedly on his way to Spain, added to a new wave of strikes inside Portugal and vociferous action by Angolan refugees is fuelling fears that the Portuguese and Angolan crises will be used by Right-wing forces to reverse the political direction of the military revolution.

Military sources to-day confirmed that a number of former top-ranking Portuguese Army officers have deserted to FNLA forces inside Angola, including Colonel Santos e Castro, the founder of Angola's Colonial Commando Regiment. *The same sources confirmed* that the invasion from Namibia of South African forces into southern Angola, contained Portuguese mercenaries, including a Captain Rosa Oliveira, once commander of the Colonial black Mozambique crack unit, the "Flechas."

Portugal has protested to Pretoria both verbally and in a formal writen note about the invasion, and also informed the United Nations.

Aerial reconnaisance flights by the Portuguese Air Force produced photographic evidence of desrtuction of buildings inside the southern Angolan Cunene province capital of Ngiva, confirming reports by the leftist Popular Move*ment for the Liberation of* Angola (MPLA) that the invaders had taken the town with mortars and bazookas.

The invading force, Lisbon military sources said was certainly smaller than the 800 men originally reported.

The sources said they saw a danger of expansion of the mercenaries' influence in eastern and southern Angola, particularly if South Africa continues "either to turn a blind eye to mercenaries crossing the border or to use them for its own purposes." The former MPLA military com*mander, Daniel Chipenda, who* defected to the Zaire-based FNLA is reported back in the south-east with a mixed force of men loyal to him and of Portuguese and French mercenaries the sources added.

Plane hijacked in Timor

DARWIN, Sept. 4.

A ROYAL Australian Air Force mercy plane was hijacked at gunpoint in the Portuguese Timor town of Baucau tonight and forced to fly a large group of Timorese to Darwin.

The plane landed here to be met by armed police. But there were no incidents, the Timorese surrendering their arms to police. A report from the Attorney-General's department in Canberra said that 48 Timorese had been detained as prohibited immigrants.

Defence Ministry officials in Canberra last night reported that 48 Timorese, many of *them armed,* swarmed aboard the aircraft, a Caribou on loan to the Red Cross, when it landed at Baucau, stronghold of the Timorese Democratic Union (UDT).

But an official passenger on the aircraft, South East Asian Red Cross delegate Mr. Andre Pasquier, said that only one soldier was involved in the hijacking.

Reuter

Iraq hopes to fix Fr.3bn. deal in Paris talks

PARIS, Sept. 4.

IRAQ Vice-President Saddam Hussein will arrive in Paris tomorrow afternoon for seven days of talks with French Prime Minister Jacques Chirac, it was announced to-day.

Their talks will have an important impact on current French economic plans and will reaffirm a Frs.10bn. deal made a year ago in Baghdad, a French official said.

Mr. Hussein will be accompanied by several agricultural, electronic, and nuclear experts to advise the Vice-President on a Frs.3bn. agricultural and industrial deal the French will propose.

Although the two leaders will not discuss an arms deal, *it is reported that Mr. Hussein* will visit aviation centres in France.

UPI

W. German opposition ge[...] ready for economy battl[...]

BY JONATHAN CARR

BONN, Se[...]

AMID GROWING signs that the *West German opposition* will block part of the Government's new economic measures in Parliament, the opposition leader, *Dr. Helmut Kohl,* has begun to name those who will be in the Cabinet if he becomes Chancellor.

There are still 13 months to go to the general elections. But, with the Government now under pressure in the wake of its decision to raise unemployment insurance contributions and eventually to put up taxes, Dr. Kohl clearly feels the time has come to begin to present an alternative Cabinet team to the public.

In view of the current economic difficulties it is not surprising that Dr. Kohl has begun by naming his choices as shadow Economics and Labour Ministers. The former is Dr. Gerhard Stoltenberg, Prime Minister of Schleswig-Holstein, and the latter Hans Katzer, who was Labour Minister in the Cabinets of Ludwig Erhard and Kurt-Georg Kiesenger in the 1960s.

Further members of the team are expected to be named next month with Herr Franz-Josef Strauss the most likely choice for the shadow Finance Ministry. He is head of the Christian Social Union (CSU), the Bavarian sister party of Dr. Kohl's Christian Democrats (CDU), and seems bound to have the Vice-Chancellorship as well as *his ministerial* post in the event of a CDU-CSU Government.

Key members of the team, including Dr. Stoltenberg, Herr Katzer, Herr Strauss and the CDU General Secretary, Prof. Kurt Biedenkopf, were meeting here to-day to decide on the strategy the Opposition will follow when the Government presents its latest financial and economic decisions to Parliament.

The CDU-SCU faces a dilemma. At *least* part of the Government's action to bring state finances into order is on the lines of what the Opposit[...] been advocating. The C[...] *has long demanded a cut* the growth of state expe[...] —and last week the [...] decided on action which the 1976 Budget will be [...] per cent. larger than th[...] itself 16.5 per cent. bigg[...] that for 1974. Howe[...] Government has also de[...] raise unemployment in[...] contributions from next[...] and value added, toba[...] spirit, taxes from Januar[...]

Here the Opposition ha[...] reservations. It feels[...] contributions will be a[...] burden on employees [...] ployers at a time wh[...] country is hoping [...] economic upswing. It [...] believes that the tax i[...] are an admission of [...] mental failure to mak[...] tough budgetary savings[...]

The upshot seems lik[...] that the Opposition w[...] to parts of the Gover[...] package, but will rejec[...] —notably the 2 per [...] crease in VAT. Since t[...] CSU has a majority [...] Bundesrat, the Upper [...] Parliament, it can block [...] increase if it is really [...] this course.

The Finance Minist[...] Hans Apel, agreed in [...] interview to-day that su[...] sition action might eme[...] he added, that it was u[...] CDU-CSU then to say [...] believed the resulting [...] in the 1977 Budget def[...] be dealt with.

The Government, he [...] examined all possibili[...] making really substan[...] ings. It had conclude[...] could only have exte[...] action on which it has [...] cided, by making majo[...] into the defence budge[...] freezing pensions. Wa[...] asked, what the O[...] planned?

Slight drop in jobless

BY NICHOLAS COLCHESTER

BONN, Sept. 4.

THERE WERE no surprising *changes in the West German* unemployment figures over the slack holiday month of August.

The Labour Office revealed today that there were 1.031m. or 4.5 per cent. of the workforce, out of work at the month's end compared with 1.035m. in July. The number of workers on "short time work" did, however, drop by 108,000 to 541,000.

The figures suggest that the underlying deterioration that has been so obvious in the West German labour market over the year to date has slowed down but has not, as the head of the Labour Office, Josef Stingl, pointed out, reached any kind of an upward turning point.

It was to be expected that short time work would not loom large in a month when so many workers were away on holiday.

The other labour statistics show that the number of positions vacant fell marginally last month by 2,900 to 252,600. Among West Germany's *2.1m.* guest workers the unemployment ratio dropped slightly from 5.5 per cent. to 5.4 per cent.—still well above the national average. Herr Stingl suggested that the reduction of unemployment among *immigrant* workers could be due to decisions by some of them to return to their homelands.

Fiat sees slump turning poin[...]

BY RUPERT CORNWELL

ROME, [...]

WHILE THE troubled state-*owned group* Alfa Romeo is still holding the centre of the industrial stage, Italy's largest car manufacturer Fiat now believes that the worst of the prolonged motor industry slump may at last be over.

Late last night mediation talks at the Labour Ministry in Rome to settle the row over the working by Alfa employees at the company's Milan and Arese plants broke down in acrimony. Previously efforts by senior city and regional officials in the north had also failed to defuse the situation.

This morning further mass union meetings took place in Milan to decide further action. Once more, the bulk of the 15,000 men involved turned up at the two factories, in defiance of the company's order of an extra week's lay off until next Monday, following the slump in Alfa sales.

For all the heat and publicity generated by the Alfa Romeo dispute, it is the outcome of the regular autumn talks at Fiat which will probably have the *greater bearing on Italy's already* tense labour climate, before wage contract negotiations for 4m. workers begin in a few weeks' time.

In fact, the news from Turin is reasonably encouraging. According to Sig. Paolo Annibaldi, head of the company team at the discussions, Fiat now believes that the worst of the crisis is past. In Germany, for example, Deutsche Fiat has just reported a 25 per cent. rise in first half sales, and could have achieved more had deliveries from Italy been greater.

The company is wo[...] the basis that sales in [...] be at least the same as [...] and perhaps slightly hi[...] Sig. Annibaldi underli[...] the car market is n[...] facing the structural [...] 1974, when supply [...] stripped demand. The [...] *tion now is whether th[...]* workers' unions will se[...] argument and with [...] planned extra few day[...] offs that Fiat has [...] around Christmas.

Next year should b[...] with a distinct upturn i[...] in the second half, and [...] smaller number of days [...] However, should the [...] adopt the *Alfa Romeo* and refuse further S[...] lay-offs, Italy probably w[...] itself in the middle of [...] autumn" that is widel[...] but still by no means [...]

Soviet-Czech oil agreement

BY PAUL LENDVAI

VIENNA, [...]

THE SOVIET Union will supply 58m. tons of crude oil to Czechoslovakia during the 1976-80 period, thus covering over 90 per cent. of that country's oil needs. This is one of the key *provisions of the protocol on the* co-ordination of Czechoslovak and Soviet five-year plans for the next period.

First details of the agreement, recently signed in Moscow, have now been revealed by Mr. Vaclav Hula, Czechoslovak Deputy Premier and Chairman of the State Planning Commissions in an article published this week in *Rude Pravo in Prague.*

Mr. Hula claims that the increasing supplies of Soviet crude oil, gas and electricity create favourable conditions for a stable *energy balance in Czechoslovakia* during the next five years. However, there was no reference made to the future price charged for Soviet crude.

The Soviet side will supply about 36m. tons of iron ore covering more than 75 per cent. of Czechoslovak imports. Engineering trade in both directions will rise by more than two-thirds. *Czechoslovakia for example will* double its shipment of chemical engineering equipment. In all, mutual trade will be up 40 per *cent. on the results achieved in* the 1971-75 period.

Mr. Hula revealed t[...] of concrete measu[...] strengthen economic i[...] *between the two coun[...]* repeatedly claimed th[...] ordination of the pla[...] "an immense importa[...] Czechoslovakia, creatin[...] basis for a dynamic [...] tinuous development [...] Czechoslovak economy [...] next five years.

Expressing "apprecia[...] the understanding sho[...] Soviet side for the ne[...] Czechoslovak economy [...] concluded that the co[...] will protect Czechoslov[...] *the consequences of* [...] of the capitalist market[...]

Poland's purchases from West may s[...] down in years ahead, warns Ministe[...]

BY DAVID LASCELLES, EAST EUROPE CORRESPONDENT

THE SIGNING in London yester*day of the £125m. Polish PVC* deal and a long term programme for the development of Anglo-Polish trade point to a healthy trend in Britain's trade with its largest East European customer.

But, in an interview with the *Financial Times yesterday,* the Polish Minister of Foreign Trade, Mr. Jerzy Olszewski, hinted that the rhythm of Poland's purchases *from the West may slow down* in the coming years, though he was at pains to make clear that Poland was still interested in dealing with the West.

Along with most western countries, Britain has benefited greatly from Poland's intensive investment in the five years since the leadership of Mr. Edward Gierek took over. With exports rising by about 30 per cent. a year and due to reach some £180m. this year, Britain's surplus on Polish trade was worth some £30m. last year.

However, Mr. Olszewski said two factors could put a check on this growth. First, Poland had completed a major part of its investment programme and no longer found it necessary to maintain purchases at the earlier rate. Second, it was *now anxious to iron out the heavy deficit in* its trade with the west. And if this could not be done by per*suading the west to buy more* Polish goods, Poland might have to slow down its purchases from the west, he suggested.

In other words, Poland was *now seeking a return on its* investment, he said, and this was the logical and natural thing to do. But he denied that this repre*sented a turning-point in Poland's* trade policies since his country was still keen to do business.

The main areas of trade could now shift to more sophisticated equipment which needed less capital investment, he said. But Poland was still keen to conclude major deals in raw material development like coal, sulphur, salt and copper. As for credit, *which Poland has drawn on* heavily to finance its development programme since 1970, Mr. Olszewski said his country would continue to make use o[...] *finance.*

Mr Olszewski did no[...] predict whether Pola[...] maintain its strong west[...] orientation which has [...] reached more than 40 [...] of total dealings. But he [...] that the progress of [...] export drive would be [...] determining factor.

According to unofficial [...] *1978 is the date by whic[...]* hopes to balance its [...] trade, having by the[...] delivery of its big order[...] meantime, though, the [...] will continue to show [...] balance in the West's [...] these orders go through[...]

No recall of Greek M[...]

BY OUR OWN CORRESPONDENT

ATHENS, Se[...]

PREMIER Constantine Karamanlis to-day turned down a request by the Opposition to convene Parliament, now in summer recess, to discuss the Cyprus issue and the Government's move to save the three leaders of the fallen military junta from the firing squad.

The request for the emergency session was made last Monday by Mr. George Mavros, the leader of the Centre Union-New Forces, the country's *main* opposition party.

In a letter to Mr[...] released to the Press [...] Premier said that dec[...] the Cyprus issue rested [...] with the Cypriot Govern[...]

He said that a debate [...] Greek Parliament at th[...] could harm the prospects [...] intercommunal talks [...] resume in New York [...] day under the auspices [...] Secretary General Kur[...] heim.

CONTRACTS & TENDERS

REPUBLIQUE ALGERIENNE DEMOCRATIQUE & POPULAIRE

MINISTERE DE L'INDUSTRIE & DE L'ENERGIE

Société Nationale de l'Electricité et du Gaz "SONELGAZ"

International Invitation to Tender

An international tender has been launched for the supply of:

50 (fifty) mobile transmission cabins each one as follows:

- 10 KV overhead
- 10 KV underground
- 30 KV overhead
- 30 KV underground

Companies wishing to tender can obtain the technical specifications documents from:

SONELGAZ
Départment Approvisionnement
2 boulevard Salah
BOUAKOUIR-ALGIERS (Algeria)

Tenders should be sent in a double sealed envelope before September 30, 1975, the outside envelope marked:

"NE PAS OUVRIR"—"NOT TO BE OPENED"
A.O. n° B/10.164 GA.A
Supply of mobile cabins

هكذا من الأصل

OVERSEAS NEWS

Tokyo stocks fall through psychological 4000 barrier

BY CHARLES SMITH

TOKYO, Sept. 4.

HARE PRICES fell steeply on ıe Tokyo Stock Exchange to-ay, reflecting the concern of ıany investors about the fin-ıces of Japanese companies ıllowing the past week's suc-ıssion of business failures and ıar-failures.

The Dow Jones average fell 1.82 points on the day's trading ıd passed below the psycholog-al barrier of 4,000 for the first me since last February, closing 3,949.53. The Stock market ıs now lost more than half the 200 point gain registered in ıe prolonged recovery of share ıices which began last October ıd continued until May. Stock ıarket observers felt that a ırther decline to 3,800 or so is ıssible but there are many un-ıowns in the immediate future ıhich make prediction difficult.

One is the timing and content measures to reflate the Japan-e economy which are expected is autumn. These could include big supplementary budget, ıpped up public works spend-g and a one per cent. cut in ınk Rate (following the three ıccessive cuts of 0.5 per cent. ınounced earlier this year by e Bank of Japan). A second ctor will be the behaviour of all Street which has been ex-cising a strong influence on ıkyo stock prices during the ıst few months.

One negative factor in the ıkyo stock market during the past two or three weeks has been the drying up of foreign investment, which was extremely active earlier in the year. Foreigners moved into the market in force last February making net purchases of $134m. after many months in which they had sold more Japanese shares than they bought. Net buying stayed above the $100m. mark in every month until May (when the market hit its peak) but foreign buying has since gradually fallen off and by the middle of last month the balance probably turned negative.

Reuter adds from Tokyo: Leading Japanese businessmen to-day urged the Government to respond to strong international pleas for reflationary action to help in reviving the world economy.

A report by the Japanese Economic Research Council called for an immediate switch from a policy of price curbs to expansion to break the worst recession since World War Two. The report said that priority should be given to boosting demand, now at an extremely low level, arguing that there was no danger of inflation being rekindled.

NZ to enter bond market

BY CHARLES SMITH

TOKYO, Sept. 4.

NEW ZEALAND is expected to make a formal registration with the Japanese Finance Ministry in the next few days for the issue of Yen-denominated bonds on the Tokyo capital market, thereby becoming the second foreign issuer since the Tokyo capital market was reopened to foreigners in July.

The New Zealanders, who were originally to have made the first issue in the newly reopened market, held off in June after expressing dissatisfaction about the high levels of Japanese interest rates. The interest rate situation has not changed a great deal since that time but New Zealand apparently feels there are pressing reasons why it should appear on the Japanese capital market apart from purely financial consideration. One of these is that Japan is now New Zealand's third largest export market and New Zealand feels it ought to register its existence with the Tokyo business community more fully than it has done up to now.

The amount of the New Zealand issue, which will probably be made in early October, is rumoured to be Y15bn. (about £23m), although the New Zealand Government has declined to put a firm figure on the issue.

Sadat defends Sinai accord

By Michael Tingay

CAIRO, Sept. 4.

EGYPT twice turned down offers for the return of Sinai territory because the price required by Israel was a non-belligerency guarantee, President Sadat said tonight before a joint meeting of the Arab Socialist Union and the parliamentary central committee in what was an emotional defence against anti-agreement criticism.

Reacting strongly to news of anti - Egyptian demonstrations to-day in Damascus where the Egyptian embassy had to be defended with special guards, Mr. Sadat lashed out at Syria, the Soviet Union, Iraq and as he put it "even our brother Yasser Arafat."

The two rejected Sinai offers were for return of the whole of Sinai, and later for a deal involving withdrawal by Israel to a line from El Arish to Ras Muhamed, some 40km east of the Sinai passes, the President explained. He was not afraid to accept but would not make a peace agreement or grant non belligerency.

Attacking those Palestinians currently saying that Egypt had made secret commitments in the second Sinai agreement Mr. Sadat exclaimed: "They said the same thing at the time of the first disengagement in 1974."

Explaining his view of the sequence of successes in the region which he linked strongly with the bringing in of the U.S. directly into the arena Mr. Sadat said that before the October 1973 war American intervention used to freeze the situation.

Sithole confirms ANC split

BY TREVOR GRUNDY

LUSAKA, Sept. 4.

IE REV. Ndabaningi Sithole, ımer leader of the Rhodesian ıtionalist party ZANU and now lled in Lusaka, has admitted ıt the African National Coun-has split. He blamed Mr. shua Nkomo, the former ZAPU ıder, for causing the division ıich now threatens the exis-ıce of the ANC itself.

In an interview here Mr. Sit-le said that the formation of e Zimbabwe Liberation Coun-, as the external wing of the ıC at the beginning of this ıek, had been agreed to by Mr. ıomo in July. The ZLC's for-ation has been ostensibly the ıuse of the new ANC rift.

Mr. Sithole, who with Mr. ıikerema, President of the for-er Frolizi, was talking to urnalists here, accused Mr. ıkomo of being "power hungry." e claimed that the British and e Rhodesian Governments sup-ırted Mr. Nkomo, who was tempting to reach a "settle-ent" inside Rhodesia.

Bishop Muzorewa, the ANC President who is currently in Europe, had been briefed on new develoments in Rhodesia and on his return, Mr. Sithole hinted, the external wing of the Bishop's ANC would consider the future of Mr. Nkomo within the movement in "a serious way." Mr. Sithole said the "entire ANC" was behind Bishop Muzorewa.

Referring to Mr. Nkomo's allegations that Mr. Sithole had run away from Rhodesia, Mr. Sithole said that Mr. Nkomo should be the last person to call him a coward. "I can run away because I do not have such enormous weight," he said.

Our correspondent in Salisbury adds: The chaotic state of black Rhodesian politics remained unresolved to-day while rival factions of the ANC argued about whether or not the ANC's national executive should convene on Sunday to try to clear up the leadership crisis that threatens to break the fragile nationalist alliance.

The division within the organisation has seriously endangered any possibility there might have been of an early resumption of the constitutional talks with the Rhodesian Government, and the continuing war of words between the country's two most powerful black leaders has made it impossible apparently for them again to sit together at a conference table to face Mr. Ian Smith.

The open split in the ANC is between the militant ZLC, under the Rev. Ndbaningi Sithole, and the former leader of ZAPU, Mr. Joshua Nkomo.

Mr. Nkomo has denounced the formation of the ZLC as unconstitutional, and an attempt is being made here to call a national executive meeting to discuss the issue. The 70-member executive is weighted in Mr. Nkome's favour, and ZANU elements in the Rhodesian capital have accused him of laying plans to gain the leadership of the council through a National Congress vote while its president, Bishop Abel Muzorewa, is away in Europe.

Ethiopia denies ELF success claim

ADDIS ABABA, Sept. 4.

ETHIOPIA'S military Government has denied as baseless a report from Rome that Eritrean guerillas had destroyed four Ethiopian Air Force jet fighters. A Reuter dispatch from Rome on Tuesday quoted diplomatic sources there as saying the fighters had been destroyed on the ground.

The same sources had reported a flare-up of fighting in and around the Eritrean capital of Asmara, and retaliatory measures against civilians by the Ethopian army.

The spokesman said that "bandits of the so-called Eritrean Liberation Front last week made sporadic attempts against military vehicles in isolated places, but there was no fighting in Asmara. The claim of destruction of four jet fighters is absolutely baseless and fabricated."

The spokesman also denied that retaliatory measures had been taken against the civilian population. He said that security forces had been undertaking routine checks in villages near Asmara in search of bandits and to protect civilians.

Reuter

NAMIBIA TALKS COMPROMISE

WINDHOEK, Sept. 4.

ELEGATES to the South West rica (Namibia) constitutional nference to-day reached a mpromise agreement on the mission of American lawyer ıart Schwartz—an issue which three days has delayed ıous talks.

Meeting in separate groups ıtside the conference hall, the ıegates decided that Mr. ıwartz should be allowed o full conference sessions to nitor proceedings. But he l be sitting apart and will not allowed to address the con-ence. He will brief delegates private.

Conference sources said that egates would now be discuss-the appointment of a chair-n for the duration of the ıference, which could last for to three months.

ıter.

No arms reduction—IISS

BY OUR FOREIGN STAFF

THERE ARE very few signs of genuine reduction in the size and strength of armed forces around the world and in almost every area the armaments of the main contestants are growing. These are the conclusions of the International Institute for Strategic Studies in presenting the Military Balance 1975-76.

The Vladivostock summit last December proposed ceilings for the number of strategic nuclear weapons but has not checked their development. The MBFR negotiations in Europe have as yet produced no reductions in armed forces; the SALT talks and the European Security Conference "show that arms control or limitation is complex, contentious and slow to yield results," says the IISS.

The large sales of advanced armaments, says the IISS, reflects a buyers' market for arms and shows the need of the major arms producing nations to offset rising energy costs with arms exports. Although the two superpowers are trying to constrain each other's developments each is busy improving and replacing its nuclear weapons, and each is upgrading its conventional forces in addition, especially their navies.

The IISS points out that Iran is expanding her navy into the Indian Ocean, that forces are being strengthened in the Middle East, that China is continuing her nuclear and conventional rearmament programme (though at a slower pace).

The Military Balance 1975-76 (£1.50), published by The International Institute for Strategic Studies, 18, Adam Street, London WC2N 6AL.

LIBYA TAKES OVER CAR TRADE

TRIPOLI, Sept. 4.

LIBYA'S Ruling Revolutionary Command Council has promulgated a law nationalising the car trade, the Libyan news agency ARNA said. It said the state would take over companies dealing only with the car trade and distribution and pay them compensation. Distribution was hitherto carried out by private companies.

MUGGLING IN KENYA

The currency drain

BY JOHN WORRALL, NAIROBI CORRESPONDENT

THE CURRENT court case Nairobi involving two British ıolgirls shows the Kenya ıernment is alarmed about ırency smuggling which is ıng away precious foreign ıhange reserves at a time when ı are under great pressure ın price-inflated imports such ıil. Smuggling takes various ı-known forms, but in Kenya ıe is the added threat of the ıgal export of ivory, much it to Hong Kong and ia. As much ivory is stored in k vaults by nervous business-ı as goes to make figurines trinkets. The ivory drain been put at as much as m. or more a year, but there no accurate figures.

Kenyan currency regulations not as harsh as those in e countries, one reason being Government's reluctance to ıss tourists who bring in e than £K20m. (£26.6m.) a c in foreign exchange. ıgrants leaving Kenya, such as ish Asian families under ce to quit are allowed to take 500 per family, provided they e been residents for more ı four years.

ıar, furniture and other assets included. After 12 months can export £K1,000 a year up to five years. At the end ve years an application must made to remit the balance. ıgrants are required to keep ı money in blocked accounts, ıh cannot be used without the ıroval of the central bank. ıked balances must be held specified Kenya Government ıks at 3½ per cent. Emigrating Asians, who are those mainly affected by these regulations, only find them harsh when they are anxious to take real capital to Britain, for instance for starting businesses. The small artisan in line for British entry vouchers will not have this kind of money anyway; it is the bigger businessmen, who may not even yet be on the quit list, who are believed to be involved mainly in currency rackets to amass capital in Britain for a business, which they may want to join one day.

'The offenders are either very clever, have good corruptible connections in officialdom, or are allied to people in good positions who can bend a regulation or two.'

Not only Asians are involved. Business people in Nairobi speak of prosperous Africans who, for one reason or another, also want to amass capital in London or elsewhere. Aware of the tourists and travellers, residents or otherwise, who get involved in currency offences, the Minister of Finance, Mr. Mwai Kibaki, last year tightened up the regulations.

No person in Kenya is permitted to hold foreign currency for more than 24 hours without permission from the central bank. A returning resident must deposit any foreign currency in his possession within 24 hours of arrival in Kenya. Hotels, shops, and other authorised dealers in foreign currency have to keep full records and pay it into a bank within 24 hours of receiving it. On arrival in Kenya, tourists must fill in a declaration of foreign currency and travellers' cheques in their possession, and they are allowed to change it for Kenya currency only through an authorised dealer, such as a bank. When they leave they are expected to show what they have spent.

A currency control officer told me that tourists, when they cash travellers' cheques, often omit to write in the payee's name and the date, which makes the cheques as good as money in the market and leads to a great many offences by hotel and bank cashiers. A great deal of foreign currency is believed to be smuggled out of the country by returning tourists acting as couriers. "This figure could be considerable," the official said.

The battle against currency smuggling is two-pronged. The Kenya Central Bank employs a seconded CID staff of investigators who are stationed in the bank itself. The current court case resulted from one of their "coups," when they made a £K100,000 haul of assorted foreign banknotes and travellers' cheques about to be smuggled out at Nairobi's Embakazi airport.

On the wider front of big business, checks are provided by a Swiss firm of investigators, General Superintendence, of Geneva, who operate as Kenya Government agents in the port of Mombasa. They watch offences such as over-and-under invoicing. With Swiss discretion, the company, registered in Kenya, will only admit to "quite reasonable success."

One problem in assessing the amount of money Kenya loses every year in currency smuggling is the small number of prosecutions of any importance. The offenders are either very clever, have good corruptible connections in officialdom, or are allied to people in good positions who can bend a regulation or two.

Thus nobody can give a figure. How many currency notes, for instance, are posted to Britain and America to build up bank accounts? The CID believe it represents a very large amount. Spot checks are made at post offices, and Treasury officials say the drain could be as much as £K2m. or more. That is a sizeable slice of the £K4.9m. in the foreign assets of commercial banks and Government drawn down by Mr. Kibaki to help finance last year's trade deficit of £K37m.

HOME NEWS

PRICE COMMISSION CRITICISED BY BOTH SIDES

Sanitary towels 'should be 10% cheaper'

BY SANDY McLACHLAN

THE SYSTEM of manufacturers recommending retail prices for sanitary protection goods should be abolished, according to a Price Commission report published yesterday.

Alternatively, says the Commission, there should be an immediate 10 per cent. cut in the recommended prices of sanitary towels and tampons. "The manufacturers themselves could reasonably be expected to absorb some part of this reduction."

Immediately the report became available it provoked a storm of criticism. The Association of Sanitary Protection Manufacturers issued a statement on behalf of the manufacturers—including Southalls, Tampax and *Kimberley-Clark who are* the big three in the industry—pointing out that margins on the sale of towels are already low.

Closures

"This unfortunately does not leave any margin for the absorption of further cost increases, nor for price cuts by manufacturers," it stated, but made no mention of the much higher net profit margins which manufacturers achieved on the sale of tampons.

The National Consumer Protection Council, on the other hand, attacked the Price Commission for not going far enough. *Mrs. Regina Dollar*, its chairman, said that abandoning recommended prices would not *help, and called for both the* immediate 10 per cent. cut in recommended prices, and a removal of the 8 per cent. VAT rate charged on these products.

The National Pharmaceutical Union, which represents *Britain's 10,000 independent* retail chemists, also rejected the report on the grounds that any reduction in prices would lead immediately to restricted choice for women, and would be a contributory factor towards more closures of independent chemists.

The multiple retailers reacted calmly to the report since they would be little affected by its implementation. Boots, for example, is already selling both towels and tampons at prices which are more than 10 per cent. below the recommended price. One multiple, however, criticised the report for failing to differentiate between marketing conditions in the city centre and those in outlying villages.

"City centre multiple retailers may not be affected, but if margins are cut, small local retailers may decide to give up stocking what is, anyway, a bulky commodity. Since these products are essential to women, this could cause considerable inconvenience."

The report says that from September, 1972, to the beginning of last June the prices of both sanitary towels and tampons rose by less than manufacturers' costs. The average net *profit on towels between the half* years ended September 30, 1972, and last March fell from 10 per cent. to 2.6 per cent., but the Commission points out that the low figure is partly due to six price increases in the half year to March not being fully reflected in sales.

During the same period, net profit margins on tampons fell from an average of 39.5 per cent. to 32.2 per cent.

Diabetic food

The Commission concludes that the practice of recommending retail prices results in higher prices being charged for sanitary towels and tampons in some shops than is "necessary or *desirable*."

● In a second report published yesterday — on the prices of diabetic foods — the Commission gives manufacturers and distributors a clean bill of health. It concludes that the higher price of diabetic foods is due to higher cost of ingredients.

The Commission points out, however, that many of the materials used are now coming down in price. It proposes to keep a special watch on diabetic foods to ensure that lower raw material costs are passed on in the form of lower prices.

Price Commission reports: Prices of Sanitary Towels and Tampons—57p net. Prices of Diabetic Foods — 47p net. HMSO London.

Incomes policy call by MP

BY RICHARD EVANS, LOBBY CORRESPONDENT

A CLOSE Labour Party supporter of Mr. Roy Jenkins, the Home Secretary, forecast last night that a prices and incomes policy would have to become a permanent feature of a stable economic policy.

Mr. Ian Wrigglesworth, M.P. for Thornaby-on-Tees and Parliamentary Private Secretary to Mr. Jenkins, argued that as part of an annual agreement bewteen the Government and both sides of industry a *formula should* be hammered out within the National Economic Development Council.

The significance of Mr. Wrigglesworth's proposal, made in a speech in his Teesside constituency, is that he represents a growing group of younger, moderate Labour MPs who are looking beyond the Government's proposal for a £6 pay limit over the coming year.

Mr. Wrigglesworth argued that to deny a permanent pay policy was to ignore the lessons of post-war economic history and for Socialists it was a rejection of the best means of achieving incomes redistribution within a democratic framework.

He believed that before the flat rate policy ended next summer, machinery must be created to get agreement on the guidelines by which to judge the comparative worth of different groups, including a maximum and minimum wage rate.

Meanwhile, Mr. Ronald McIntosh the director general of *NEDC* put some *flesh on the* bones of the plan "The Path to 1980" now being discussed within the Council.

He said on BBC radio that the next step would be for Mr. Denis Healey, Chancellor of the Exchequer and Mr. Eric Varley, Secretary for Industry, to submit a paper to the October meeting of Neddy in which they would sketh out the proposed structure of British manufacturing industry over the next four or five years.

Above all he thought a scheme would need to get better use made of the country's resources of men and plant; it would need to deal with low productivity; and it would have to overcome under-investment and misdirection of investment.

● Mr. Roy Mason, Defence Secretary, warned last night that extremist infiltrators and "cuckoos in the next" would try to embarrass the Labour Party over its anti-inflation policy.

State and industry to plan future of aviation

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

THE Government is hoping for a more fruitful dialogue with the aerospace industry in the months ahead over its long-term future programmes, as a result of a meeting recently between industry leaders and Lord Beswick, Minister of State for Aerospace.

This was probably the most important single development in relationships between the Government and the aerospace industry since the nationalisation Bill — still bitterly opposed by the aerospace companies — was *first published* earlier this year.

At the meeting, attended by such industry leaders as Mr. Allen Greenwood, deputy chairman and managing director of British Aircraft Corporation and Mr. John Lidbury, deputy chairman of *Hawker Siddeley* Aviation, Lord Beswick said that the Government was still aiming to re-introduce the nationalisation Bill next session with a target vesting date of about next July.

The industry has been worried for some time that the nationalisation plan was stultifying the free flow of discussion between itself and the Government over future programmes and especially over the development of new civil collaborative programmes with Continental partners.

The meeting was aimed at clearing the air so that the Government and the industry could feel freer in future to exchange views on what needed to be done and thus ensure that once nationalisation had been achieved, the industry would have a firm long-term development plan.

It is emphasised that the talks did not reach any specific decisions on new ventures. These have still to be discussed between the U.K. industry and its Continental partners, especially through the so-called Group of Six companies, that includes British Aircraft Corporation, Hawker Siddeley Aviation, Aerospatiale of France, Messerschmitt-Bolkow-Blohm, VFW-Fokker and Dornier of West Germany.

Such programmes will also be discussed in a forthcoming meeting of the Governments of the major European aerospace countries—the U.K., France, West Germany and Holland—after the letter sent last week by M. Marcel Cavaille, the French Transport Minister, to Mr. Eric Varley, Secretary of State for Industry.

Air authorities criticised

CRITICISM OF two of Britain's main aeronautical regulatory authorities for their attitudes towards business aviation was expressed at the Fourth Business and Light Aviation Show which opened at the Institute of Technology at Cranfield, Bedfordshire, yesterday, writes Michael Donne.

Mr. Eric Thurston, chairman of the Air Taxi Operators Association—representing more than 50 companies which own between them more than 200 aircraft and which carried last year more than 400,000 business and other passengers—was particularly critical of the British Airports Authority, which he called the "British anti-Authority—anti-general aviation."

"Provision for air taxi and business aircraft movements at British Airport Authority airports, except at Gatwick, is abysmal."

Mr. Thurston also criticised the recently introduced higher scale of licence charges and other activities of the Civil Aviation Authority.

N. Sea oil rigs '10 times more hazardous than mines'

BY DAVID FISHLOCK, SCIENCE EDITOR

THE NORTH SEA is proving a very hazardous industrial activity, with a fatality rate for those working on rigs ten times worse than in coal mining, and 33 times worse for those working *on the seabed, according to a* study by the British Medical Association.

Although onshore the risk is no greater—and perhaps is less—than in equivalent occupations, "offshore the risk is real," *says the BMA report, which is* on the medical implications of oil-related industry.

Providing an adequate medical service is a challenge to the medical profession and a responsibility that must be shared by doctors, the North Sea and the Government.

One of the ten recommendations from a working party under the chairmanship of Dr. John McCrae is that the procedures and the legislation relating to the medical aspects of off-shore rigs should be co-ordinated. There are difficulties at present even in pulling together accurate statistics on the risks of the North Sea.

The report endorses plans for an Institute of Offshore and Environmental Medicine at Aberdeen, devoted to the medical interests of the North Sea, and recommends that they be pushed ahead quickly. The working party fears that because of the economic climate the plans could be shelved indefinitely.

It also calls for helipads to be constructed alongside Aberdeen Royal Infirmary and at Lerwick, noting that, with a *shore-to-rig distance of at least* 100 miles, "the commanding position of the helicopter in the medical situation is evident."

Washed overboard

Outlining the *North Sea* problem, the report—requested by the Scottish Council of the BMA in May last year—notes that nine deaths connected with North Sea oil development were officially reported in Aberdeen last year.

One man was washed overboard from a vessel, two were involved in Draw Works accidents, two were killed in falls from derricks, one diver died in a decompression chamber, one from the breaking of a hook on a service vessel, one from crushing on a barge, and one by being knocked off a rig into the sea.

Already this year there have *been eight fatal and 12 serious* accidents.

Just how many men will be employed on a production platform is still undecided, but the depot estimates that by the end of this year about 350 could be living on platforms at any one time, and the numbers would increase steadily to a plateau of perhaps 5,000-6,000 by the mid-1980s.

Of divers, the category of worker at greatest risk, the report estimates that about 600 are working at present under the sea. One of the biggest problems for the doctor is that a diver injured while working at a depth of 200 feet will normally need 14 days of decompression.

The Medical Implications of Oil-Related Industry, published by the British Medical Association Scottish Council, 7, Drumsheugh Gardens, Edinburgh EH3 7QP. Price £1.

The Queen opens 75-nation talks

By Our Foreign Staff

TIGHT SECURITY surrounded the Royal opening of the 75-nation Inter-Parliamentary Conference in London yesterday when demonstrators objected to the presence of observers from the Palestine National Council.

The ceremony in Westminster Hall passed off without incident, however. The pro-Israeli demonstrators lowered their banners shortly before the Queen arrived to greet the 1,000-plus delegates.

The demonstrators were joined later in Parliament Square by a second group protesting against Mrs. Indira Gandhi's government in India, which has arrested opposition politicians under state of emergency laws.

Mr. Harold Wilson told delegates that they were all bound by a common purpose to solve the world's problems through parliamentary methods. He hoped that they were heartened by the agreement which had just been initialled in the Middle East *between Egypt* and Israel.

The recent Helsinki summit had achieved a final declaration "of the greatest importance to all nations" and not just to the European nations.

The spirit of co-operation and the freer flow of people, ideas and information was one which the conference should proclaim.

"All you achieve here will be regarded as vital by all who seek world peace and world democracy," said Mr. Wilson.

The conference ends next Friday.

Leyland is having record year for sales in U.S.

BY PETER FOSTER

CONFIRMATION that car importers had taken a record 39.6 per cent. of the British market in August was counterbalanced somewhat yesterday by news that British Leyland had sold more cars in the U.S. this year than any foreign manufacturer has sold in the U.K.

In the first eight months of this year, 52,969 British Leyland cars were registered in the U.S., a record, compared with 36,107 in the same period of last year. The leading importer into the U.K., Datsun, has sold 51,678 cars so far this year.

British Leyland has increased its U.S. sales of Morris Marinas almost fivefold in 1975 and the successful introduction of its new Triumph TR7 sports car has helped the company to U.S. earnings of more than £100m. so far this year.

Nevertheless, at home the introduction of BL's Superdeal scheme last month failed to halt the onslaught of the importers on the British market.

Datsun, which took 6.1 per cent. of a total U.K. market of 153,593 cars remained top of the importers, outselling Chrysler, which had only a 5.7 per cent. share. British Leyland took 28.4 per cent. of the market, Ford 18.4 per cent. and Vauxhall 7.2 per cent.

Sales last month were 5.5 per cent. below August last year, while total registrations for the first eight months of this year, at 864,307, were 4.5 per cent. *below the same period last year* and the lowest level since 1971.

Sluggish U.K. car sales are now having an increasing effect on British manufacturers. Chrysler this week announced short-time working at its 11 British plants until *the end of* October and British Leyland said that there would have to be a further cut in manning levels. Vauxhall's sales have been helped by the introduction of its new Chevette.

Ford's overall penetration continues to be disappointing in spite of the success of its Escort/Popular range and its decision to absorb a higher proportion of cost increases to keep down factory prices.

Thomas Tilling may sell Volkswagen subsidiary

BY STEWART FLEMING

THOMAS TILLING, the industrial holding group, is engaged in negotiations which could lead to the sale of its Volkswagen (Great Britain) subsidiary, which has an annual turnover of around £86m.

The most likely purchaser is thought to be Lonrho, which has important motor concessions among its interests and to which U.K. earnings would be valuable. Lonrho, however, refused to comment. It said that there were several other international trading companies which might be interested in the Volkswagen concession.

Mr. Colin Draper, chairman of Volkswagen (GB), said that Tilling had been engaged in discussions about its possible sale with a number of people. "We shall probably have something to say in the next few weeks."

"We did say earlier this year that we were exploring ways in which we could reduce our investment in Volkswagen (GB) and a sale was one of the possibilities. It is a stronger possibility now than six or nine months ago."

In 1973 Thomas Tilling merged its VW and Audi NSU concessions, but in its financial year to last December the profit earned by the group's *Volkswagen (GB) subsidiary fell by* £4.3m.

Sir Geoffrey Eley, chairman, said in his annual statement that discussions were taking place with Volkswagenwerk AG which could lead to reduction of the Tilling funds invested in the Volkswagen and Audi NSU franchises.

Mr. Draper, commenting yesterday on the group's commitment to Volkswagen (GB), said that a sale would release about £15m. in cash, but it was not a fund-raising exercise.

Giro scheme for tenants

A NEW EASY rent-payment service for council tenants is being offered throughout the country by National Giro. Based on the rent card system widely used by local authorities, it is the third service developed by Giro for council rent collection through Post Offices.

It results from the success of a pilot operation at Delyn, in Wales, where the borough council's 7,000 tenants can pay at any of 48 local Post Offices.

Mersey Docks changes

Financial Times Reporter

THE MERSEY Docks and Harbour Company is streamlining *its overall structure in an effort to improve its financial position.*

The company said yesterday that the search for economies had had to be intensified because of difficult trading conditions.

Activities would be centred *on* two operational divisions—cargo handling, including marketing, and port services, which included engineering, marine operations, warehousing and security.

Dr. A. Salmon, commercial director, and Mr. W. T. Thomas, port services director, are leaving the Board. Mr. J. J. Page, the chairman will also be chief executive for 18 months. Mr. J. B. Fitzpatrick, head of the the cargo handling division, also becomes deputy chief executive.

U.K.'s real income down despite higher GNP between 1973-4

BY WILLIAM KEEGAN, ECONOMICS CORRESPONDENT

THE U.K.'s national product rose sharply in nominal terms between 1973 and 1974; was little changed after allowing for inflation: and actually fell by 4½ per cent. when allowance is made for the higher cost of imports.

The facts are shown in a new Government publication out to-day, National Income and Expenditure 1964-74, published by the Central Statistical Office and commonly known as The Blue Book (SO £2.20).

Deteriorated

The value of the U.K.'s gross domestic product (that is, the value of all the goods and services produced in the country) is shown to have risen from £62.9bn. in 1973 to £72.6bn. last year.

When income from abroad is included, the change in gross *national* product was from £64.3bn. to £74bn.

But, as a result of the quintupling of oil prices and the boom in many other commodity *prices, the U.K.'s terms of trade*—the ratio of average export prices to average import prices—deteriorated sharply.

This meant that a given volume of U.K. output bought appreciably less in the way of imports, so that what statisticians call the country's "real disposable income" fell by 4½ per cent.

The full extent of the deterioration in the terms of trade and its implications are probably one of the least understood aspects of the current economic crisis.

It is the first time the Blue Book has included figures for real national income, and a series which goes back to 1964 shows just how important the differences have been between movements of GDP and real national income.

Between 1964 and 1970 there was litle to choose between the movement of GDP and gross disposable income. With 1970 taken as 100, the indices were respectively 87.3 and 88.2 in 1964 (at constant market prices).

But since 1970 the position has been *very different.* Although the index for GDP rose by 11.2 per cent. between 1970 and 1974, the rise in real national income was less than half this, at exactly 5 per cent.

The 1974 figure for U.K. gross national product works out at £1,319 per head of the population, compared with £1,148 in 1973.

Public growth

The figures also bear out two well established facts—one, the increase in the share of national income going to wage and salary earners, as opposed to company profits; and two, the sharp growth in the public sector.

After deducting stock appreciation, the share of total domestic income taken by profits fell last year to 6.7 per cent., compared with an average of 12.2 per cent. *over the period 1964 to 1973.*

Consumer spending went up 14½ per cent. before allowing for *inflation, compared with a jump* in public expenditure of 29 per cent. measured on a similar basis.

NVT turns to 'tricky surgery'

BY PETER CARTWRIGHT, MIDLANDS CORRESPONDENT

WHETHER BRITAIN will be left with a credible motor cycle industry depends very much on the success Norton Villiers Triumph has over the next two or three weeks in salvaging the wreckage of its American market and the Government's refusal of further money.

The final shape, size—and even the place—of any NVT future operation is still in the melting pot. Directors of *Manganese Bronze, the parent* company, are in constant touch with Mr. Dennis Poore, the chairman, holidaying in Corsica.

After the Government rejected NVT's plan for an extra £40m. to run a three-factory operation—at NVT's two factories at Small Heath, Birmingham, and Wolverhampton plus the Meriden workers co-operative at the former Triumph factory near Coventry—Wolverhampton was put into liquidation. "We are engaged *in a very tricky surgical operation,*" Mr. Hugh Palin, external affairs director agreed last night. "We may die under the anaesthetic, but in the meantime we are doing all we can to regain health."

At the Birmingham factory employing 1,500, nearly 300 have been sacked and many more are due to go in the next few weeks. By the end of the year, no more than 300 are expected to remain, chiefly for sub-contract work. Fewer than 50 are likely to continue on the motor-cycle side to deal with pipeline stocks and spares.

At Kitts Green, Birmingham, part of Norton Triumph International, which had a workforce of 100, including about 20 on development, fewer than 20 will be left, *and the staff at the* Andover premises is being cut from just under 70 to about 25.

In the U.S., the chief market, the staff of about 100 is being cut. The Baltimore warehousing operation, seems likely to close, leaving only Duarte, California.

The end of the selling season is approaching with some 6,000 machines, mainly Wolverhampton-made Norton Commandos, in stock. In the past few days, prices — which were uncompetitive with the Japanese — have been slashed and stocks are at last *beginning* to move.

This action may raise problems later if NVT wants to sell its even higher-priced new electric start Commandos and Triumph Tridents.

Hovercraft plant closes

BY OUR CARLISLE CORRESPONDENT

SEALAND Hovercraft has gone into liquidation making 120 workers redundant.

Sealand—based at Millom, Cumbria—has been faced with mounting problems recently because of a lack of working capital. A final bid by 30 workers to help save the company by working for nothing has failed.

Mr. Lawrence Landau, managing director said: "A receiver has been appointed and *he will* decide the company's future when he has looked into the assets. The Government has repeatedly refused our applications for assistance. Now it will face a bigger bill.

"Unemployment benefits for the workers made redundant will run to about £200,000 a year. If they'd given us half that as a loan we wouldn't be in liquidation now."

Sealand, which has been operating for about eight years, *has concentrated on small* hovercraft, ranging from five up to about 18 seating capacit–

Machine tool orde[rs] lowest fo[r] 20 years

By Kenneth Gooding, Ind[ustrial] Correspondent

A SHARP FALL in new ... for the machine tool i... during the March to May ... this year is disclosed ... latest Department of ... statistics published to-day.

That was just a ... what was to follow and ... U.K. machine tool manu... are deep into the worst ... they have experienced ... fore the war.

...

Peak levels

...

Export orders

...

Picket face[s] retrial after jury deadlo[ck]

A JUDGE ordered a ... for an unofficial strik... accused of assaulting ... man, after the jury at ... Crown Court failed to ... verdict yesterday.

...

War pensio[ns for] bomb injur[ies]

By Eric Short

ARMED SERVICES ... injured in terrorist bom... Britain are entitled to ... sions as if "on servic... Alfred Morris, Parlia... Under-Secretary at the ... ment of Health and ... Security, said yesterday.

...

BANK RETUR[N]

هكذا من الأصل

TUC '75

Blackpool, September 4: Conference Report by John Wyles and Lorelies Olslager

Official oil policy defended

CONGRESS YESTERDAY confirmed its demand of the nationalisation of oil exploration in the North Sea. But the general council strongly defended aspects of the Government's oil policy against attacks from the conference floor.

The delegates unanimously approved a resolution noting "with some concern the Government's policy in regard to North Sea oil."

These actions "do not satisfactorily establish real control of the multinational oil companies in the interests of the British people," the resolution said. Congress therefore called on the general council to campaign for the nationalisation "of all our oil exploration enterprises."

In addition the resolution demanded "that the multinational companies responsible for the oil-rig construction work are made to ensure that the fabrication and construction of oil rigs and jackets be carried out mainly by British people and British firms."

Mesmerised

Tabling the resolution on behalf of the Amalgamated Union of Engineering Workers Mr. R. Sneddon said negotiations between the Government and the oil companies were like a meeting between an amateur boxer and Mohamed Ali—with the Government constantly mesmerised.

Britain could not have a sensible energy policy if there was no public control over the oil industry, Mr. Sneddon added. The Government's proposal for state participation in the industry through the proposed British National Oil Corporation did not go far enough.

Speaking for the National Union of Mineworkers Mr. Bill McLean said the government had not made clear so far whether the oil corporation would be allowed to control the issue of licenses. He said the government's taxation policy towards the oil companies was far too lenient, particularly compared to what was being done in Norway.

Speaking for the General Council, Mr. Frank Chapple, the general secretary of the EEPTU said the General Council had long been trying hard to achieve the main goals set out in the motion and was therefore not opposing it. But some issues required a better understanding.

The greatest economic priority was to get the oil flowing in the shortest possible time.

The Government could expect revenues of between £3bn. and £4bn. from oil up to 1980. If it tried to tighten the tax screw even further oil companies might well consider pulling out and the revenue would drop.

Mr. Chapple said the trade union movement wanted to make sure that the money according to the British balance of payments from oil should not be "frittered away" through unnecessary orders of equipment overseas.

Terry Kirk

Expressions in thought and word as the conference debates Europe. Above, Mr. Hugh Scanlon (left), president of the Engineering Union, with Mr. Terry Parry, general secretary of the Fire Brigades Union. Below, Mr. Clive Jenkins, general secretary of ASTMS, and Mr. Jack Jones, Transport Workers leader.

Unions ready for positive links with Europe . . . .

THE BRITISH trade union movement is prepared for "constructive participation" in European affairs now that the people have decided to stay in the Common Market, Mr. Jack Jones, general secretary of the Transport and General Workers' Union, told Congress on behalf of the TUC General Council.

But he also warned that British unions "will not tolerate inaction, bureaucratic complacency or red tape frustration" either in the Community or in the European Trade Union Congress.

Reporting on the TUC's activities in the international field, Mr. Jones, whose union had been in the forefront of the anti-Market campaign, said the unions still felt that the results of renegotiation had not been satisfactory. But the country had decided to stay in the EEC and "we accepted the decision of the people and will take our place in the Common Market institutions.

Progress

"It is now for us to do everything possible to protect the interests of British workers. Our intention is constructive participation," he added.

"First steps have been taken with the appointment of a high-level General Council team to the Common Market's economic and social committee, an advisory body.

Mr. Jones expressed disappointment at the "slow progress" made in the European TUC. "A new invigorating approach is required to meet the challenge of big business domination and the economic disorders of Western Europe."

Mr. Jones stressed that for the TUC "the EEC is not Europe." First steps had been taken towards some co-operation with "responsible organisations" in Eastern Europe and a further all-European union conference was in preparation. He hoped that in addition to questions of safety and the working environment already raised that meeting would take up issues such as worker participation in management.

Mr. Jones made an urgent appeal to the Governments of West Germany, the U.S. and Japan as well as the American AFL-CIO trade union federation to stop their financial boycott of the International Labour Organisation in Geneva over the admission of he Palestine Liberation Organisation as an observer.

"We do not believe that the answer to political disagreement is to disrupt the ILO," Mr. Jones said. It was a "vital instrument for workers' progress."

He and Mr. Len Murray, the TUC general secretary, would go to Syria shortly for talks with trade unions there. The TUC was also preparing to send a delegation to Cyprus.

Mr. Jones expressed concern at the emigration of British workers to South Africa and expressed the hope that all unions would develop "effective opposition" to this under the present circumstances.

. . . . but still some worries

CONGRESS REGISTERED its continued uneasiness about Common Market membership when it passed a resolution stating that Britain should not be party to a supranational Europe "without the whole-hearted consent of the British people."

But is also made clear that for the time being the vast majority of unions have dropped practical opposition and are prepared to co-operate in the European institutions.

During an extremely brief and uninspired debate Mr. Clive Jenkins, general secretary of the Association of Scientific, Technical and Managerial Staffs raised the spectre of a new referendum if the Nine proposed to take "irrevocable steps" towards European union.

This is the first signal by the dedicated anti-Market Left that they are preparing to return to the attack if they feel that British Governments are getting too deeply enmeshed with a developing Community.

Mr. Jenkins said that the British people had a right to be consulted if the country were to be "subordinated" to a European superstate. The House of Commons did not have the right to vote virtually to abolish itself by bringing Britain into a European political union. There would have to be either a general election or a referendum.

Mr. Jenkins's union had tabled the demand for the British people to be consulted on European union as an addition to a resolution which accepted the result of the last referendum and called on the General Council to ensure that Europe was run more democratically.

The resolution called for "greater democratic control over the European Parliament" as well as for greater control by that Parliament over the Council of Ministers and the Brussels Commission.

In addition, it urged reforms of the economic, social, industrial and agricultural policies of the EEC in the interests of the workers, and the extension of industrial democracy.

Pressure for import controls

TUC PRESSURE on the Government for selective import controls to avert further redundancies in a wide range of industries was stepped up when Congress gave overwhelming backing to a call for limits on imported textiles clothing and footwear goods.

Although the debate was brief, because Congress was running far behind its timetable, speakers moving the import control resolution echoed anxieties expressed in other debates this week.

The threat posed by imports to jobs in the TV tubes, glassware, motor car and electronics industries has been referred to repeatedly, and Mr. Len Murray, TUC general secretary, reaffirmed on Wednesday that the TUC would not relax its pressure for selective import controls.

The new problem was raised to-day in the shape of American and Polish imported coal which Mr. Emlyn Williams of the National Union of Mineworkers, claimed was reducing miners' productivity. Miners were worried by the sight of mounting stocks at coal-fired power stations which were, at the same time, burning imported coal.

Textiles

Moving a composite resolution on the problems due to imports in the textile, clothing and footwear industries, Mr. Derek Lambert, of the National Union of Hosiery and Knitwear Workers, claimed that the three industries were losing 6,000 workers a month.

These jobs were being lost because imports were rising at an annual rate of 20 per cent. He did not accept the Government's argument about the risks of retaliation if imports were controlled. Some knitwear goods coming into the country were being marketed at a price lower than the cost of their raw materials.

Mr. Fred Hague, joint general secretary of the Amalgamated Textile Workers' Union, warned that "time is short for the textile industry."

Imports had been responsible for making idle cotton and allied fabrics and spinning mills which had been re-equipped at a cost of £20m.

"The present level of imports is too high and is undermining the base upon which our industry is trying to build," he said.

Mr. Bert Comerford, of the National Union of Footwear, Leather and Allied Trades, said that the footwear industry in 1968 was producing 200m. pairs of footwear with a 100,000 labour force. This had dropped by 1974 to 175m. pairs and 80,000 workers.

During the same period, imports had gone up from under 60m. to 80m. pairs. In the first quarter of this year 40 per cent. of all footwear sold in Britain was imported.

Row over transport policy

AN ANGRY row flared in the dying moments of Congress's afternoon session over an unsuccessful resolution moved by the three railway unions calling for an integrated transport policy and the nationalisation of all forms of transport.

Already annoyed that Congress' timetable allowed them only 25 minutes for debate, rail union leaders reacted strongly against a speech by the dominant figure of this week's Congress, Mr. Jack Jones, general secretary of the Transport and General Workers' Union.

As chairman of the TUC's transport committee, Mr. Jones urged Congress on behalf of the General Council to defeat the resolution which he claimed was "ill-conceived."

His outspoken hostility to the motion angered the rail unions which had in private committee, unsuccessfully tried to persuade Mr. Jones to accept a formula which would have enabled them to remit their resolution.

The transport committee is one of the TUC's newer industrial committees and some of yesterday's frustrations stemmed from difficulties which unions sometimes have with reconciling their own policy views with those taken collectively by a TUC industrial committee.

The long composite resolution on transport policy was moved by Mr. Dave Bowman, president of the National Union of Railwaymen, who used his speech to give a vehement warning to British Rail that his union would not accept compulsory redundancies as part of any economy drive.

The resolution was concerned about nationalised industries' investment programmes and pricing policies and it complained about the lack of an effective transport strategy.

It went on to condemn the failure of the Labour Government to nationalise and integrate all forms of transport and called for Parliamentary legislation in the next session, to achieve this.

The motion also wanted a national transport board to have executive control of railways, shipping, road trunk haulage, road passenger services, parcels and warehousing, hotels, tourism and air transport. It also called for an immediate resumption of the Channel Tunnel scheme.

In his proposing speech, Mr. Bowman predicted a big battle with the Government over transport policy. The Government was failing to make full use of the country's 11,000-mile rail network and British Rail was suffering from a lack of a stable investment policy.

In a bid to economise, British Rail was cutting back and, said Mr. Bowman, this would not be accepted by the NUR which was only prepared to talk about modernisation and improving efficiency.

"The NUR is now under new management. There is no cutting of the railways, no compulsory redundancy," he declared to cheers from his own delegation.

Mr. Tom Bradley, M.P., president of the Transport Salaried Staffs Association, seconding the resolution, said he was not trying to revive the old rail versus road controversy. But there was a great deal of unused capacity existing side by side with a congested road network.

Urging rejection, Mr. Jones argued that the resolution condemned the Government for failing to do something it had not promised, namely, the nationalisation of all forms of transport.

As far as the Channel Tunnel was concerned, the resolution gave no thought to the cost involved which could be £1.3bn. at a time of great economic difficulty.

To sporadic barracking, Mr. Jones claimed that the proposed National Transport Board would be a "bureacratic monstrosity."

Mr. Bowman returned to the rostrum clearly angry and he vehemently asserted that the NUR had been prepared to remit the motion if Mr. Jones had agreed merely to "reserve" the General Council's position on the disputed sections of the motion.

Our voice needed in steel talks, says union

THE MAJOR trade union in the steel sector yesterday warned the British Steel Corporation that it wanted further consultation on the proposed re-organisation of the Corporation and would generally seek greater worker participation in planning for the future.

Mr. Bill Sirs, general secretary of the Iron and Steel Trades Confederation, told Congress that he could not quite agree with the General Council's report that the trade unions felt the BSC Board should be allowed t create the administrative structure it thought necessary.

Mr. Sirs said he accepted that the BSC had the statutory right to run the industry but the proposed re-organisation was of "tremendous importance" for his members and the ISTC "cannot accept that these changes should be accepted without further consultation" both with the Corporation and the Government.

"We intend to be involved in the Corporation's plans for the future," Mr. Sirs said.

Earlier, Congress unanimously passed a resolution which said that no steel redundancies or closures should be implemented "until every effort has been made to provide suitable alternative employment in the localities for all the displaced workforce."

Proposing the resolution, Mr. Len Hancock of the Amalgamated Society of Boilermakers, Shipwrights, Blacksmiths and Structural Workers, said most steelworks due for closure were in places where there was already very high unemployment. Moreover, their skills were not easily transferable to other industries.

'Reservations' on non-elected council vote

THE GENERAL Council of the TUC was criticised from the floor yesterday for its proposals to give local authority workers a say in the running of council affairs.

The General Council had proposed to give employees up to 20 per cent. of the seats of local authority's committees.

Mr. Peter Down of the technical, administrative and supervisory section of the Amalgamated Union of Engineering Workers, speaking as an Ealing alderman, said he had "some reservations" on the proposals which would give non-elected people a vote in deciding council affairs.

Not all trade unionists were supporters of the Labour party, Mr. Down said. He pointed out that if there had been a tight election result the employee representatives on council committees could "distort the balance of political power in a town hall and prevent the elected party from carrying out its election manifesto."

Mr. Down deplored that the General Council had not proposed any consultations with the Labour Party or with the local authorities

Busmen protest

BLACKPOOL'S trams and buses were off the road for two hours yesterday as 300 busmen staged a token stoppage in protest at several assaults suffered by bus crews over the past two days.

Left-Right accord on Portugal

CONGRESS WAS treated to totally conflicting explanations of Portugal's political crisis because of a procedural manoeuvre which brought together Communist miners' leader Mr. Mick McGahey and Mr. Eric Hammond, of the Right-wing Electricians and Plumbers Union to move and second a motion supporting the efforts of Portuguese and Spanish workers to win "free and democratic trade unions."

After Mr. McGahey, vice-president of the National Union of Mineworkers, had told delegates that the threat to democratic development in Portugal came from the Right, Mr. Hammond went to the rostrum to accuse the Portuguese Communist party of adopting policies which amounted to a denial of freedom.

The Electrical and Plumbing Trades Union won the opportunity to launch this attack on Portuguese Communists by tabling an amendment linking Portugal to an NUM motion supporting moves to end Fascism in Spain and calling for a national solidarity campaign with Spanish workers fighting for free trade unionism.

Mr. McGahey said that the NUM had accepted the amendment because it believed that the EPTU joined in the general fear among British unions of a "backlash" from the Right in Portugal.

However, Mr. Hammond claimed that nearly all the obstacles to democracy in Portugal were being raised by the country's Communist party. He quoted, in his support statements from Italian and Spanish Communist leaders criticising the tactics of their Portuguese comrades.

Notwithstanding this cleavage between the advocates of the motion, it was unanimously adopted by Congress.

Buckton urges new effort over Northern Ireland

A PLEA FOR the TUC to make fresh efforts to encourage a solution to the Northern Ireland conflict was made by Mr. Ray Buckton, general secretary of the Associated Society of Locomotive Engineers and Firemen.

Moving a resolution calling on the Government to introduce a Bill of Rights for Northern Ireland which would "ban all forms of discrimination on religious grounds and guarantee free democratic elections," Mr. Buckton asked the General Council to consider the feasibility of calling a summit meeting of all U.K. trade unions to discuss ideas.

Seconding the motion, Mr. Anthony Barr, of the Sheet Metal Workers Union, said that as a resident of Belfast, he appreciated the union movement's concern over Northern Ireland.

Mr. Barr, who is Belfast chairman of the Confederation of Shipbuilding and Engineering Unions, said it was essential that representation be made to the Government and that the whole movement should rally to ensure that the people of Northern Ireland were left in no doubt about British concern.

Increase NHS spending call

CONGRESS yesterday called on the Government to increase spending on the National Health Service where "years of neglect have led to increasingly unacceptable deficiencies."

In particular, spending should be increased on "preventive health resources," including the provision of more health visitors, a resolution said.

—OTHER LABOUR NEWS—

Shelton steelworkers plan sit-in

BY CHRISTIAN TYLER, LABOUR STAFF

ABOUT 1,000 steelworkers will stage a sit-in at the British Steel Corporation's Shelton works near Stoke in protest at cancellation of their week-end shift, shop stewards said yesterday.

They accused the BSC of breaking a local agreement under which the production workers were already taking a cut of £30 in their normal earnings of £75 a week.

BSC, they said, had "cracked down" on the plant locally following the Corporation's failure to reach agreement on further cost-cutting with unions at national level talks in Blackpool on Wednesday night.

Mr. Phil Tomlinson, Transport and General Workers Union convener at Shelton said yesterday the unilateral cancellation of Sunday work meant the men would lose another £10-£12 a week. "What else do they want? There's only blood left," he added. "Some of the lads would get more on the dole."

The plant is on a Sunday to Thursday week, but production of steel is going on only one week in two. The coming week would be one of the "non-production" ones, when the 2,500 labour force would be engaged on ancillary work.

A BSC spokesman explained that it was intended to change the "non-production" weeks only to Monday-to-Friday working to avoid paying premium Sunday rates unnecessarily.

Mr. Bill Sirs, ISTC general secretary, said in Blackpool last night that he would contact Mr. Gordon Sambrook, BSC personnel director, to demand that the employers keep to their agreement not to implement further cuts before their next meeting with the TUC steel unions on October 6.

He would be urging his Shelton members against sitting-in and thought that such industrial action would be unnecessary. He felt sure that the BSC would stick to the agreement but warned that if it did not, it would find itself in dispute with the industry's main union.

At Ebbw Vale works in South Wales, tinplate production came to a halt yesterday when 600 men walked out in protest at a new shift arrangement. The dispute is over management insistence that men must end the practice of leaving ten minutes early as contained in a recent agreement.

Municipal busmen claim full £6

BY ROY ROGERS, LABOUR CORRESPONDENT

ONE OF THE FIRST tests of the Government's insistence that the £6 a week pay limit is a maximum, not an entitlement, will come from 70,000 municipal busmen.

Employers were given notice of a claim for the full £6 yesterday by Mr. Larry Smith, national bus officer of the Transport and General Workers Union, within a day of the TUC Congress adopting the new policy in Blackpool.

In supporting the TGWU-backed policy, Congress made it clear it saw the £6 as an entitlement. But the financially-embarrassed employers are unlikely to offer anything near £6 when negotiations open next month for January settlement.

Notice of the claim also came on the day that the Government announced that bus fares would have to go up because the transport subsidy is to be pruned as part of the public expenditure cuts.

Employers for the 50 municipal bus undertakings estimate that the £6 would add about 12 or 13 per cent. to the wage bill. Whatever the settlement, passengers would have to pay the full cost, they said.

Refusal by the employers to offer £6 could, however, lead them into confrontation with the TGWU, the country's biggest union and the pay policy's most fervent supporter.

A further test of the policy will come next week when union leaders of 1m. local authority manual workers meet to finalise their annual pay claim.

Big rise in coloured unemployed

UNEMPLOYMENT among coloured people rose by 156 per cent. between November, 1973, and May this year, and even more steeply in the West Midlands, compared with 65 per cent. for all unemployed, Mr. John Fraser, Parliamentary under-secretary responsible for race relations, said in Birmingham yesterday.

Housing boost plea

CONGRESS called for a "massive programme" of public and private housebuilding and the setting up of a public housebuilding corporation to intervene in the market. To alleviate homelessness, local authorities should be given powers to requisition any housing that was empty for a period of six months, a resolution said.

The resolution also expressed concern at the level of housing provision and rapidly rising costs as well as the Government's decision to prune the amount of money available for local councils to improve and convert acquired properties.

This cutback would affect the employment prospects for building workers and workers in ancillary industries.

The house building programme, the resolution added, should be based on the establishment of annual completion targets and full utilisation of all resources in the building industry. The housebuilding corporation would be charged with ensuring both stability of demand and maximum value for money.

Putting the motion, Mr. George Smith, general secretary of the Union of Construction Allied Trades and Technicians, said there were 1.3m. unfit homes in England and Wales and some 30,000 homeless families in the U.K. Local authorities could no longer cope with the situation.

Housing policy must be based on social needs and could not be dependent on the play of the market.

Mr. Smith said that housing completions in Britain had dropped from 400,000 in 1968 to 268,000 last year. The target for 1976 should be a return to 1968 levels. The housebuilding agency should have authority to build on its own behalf.

Mr. Harold Best, for the Electrical, Electronic Telecommunication and Plumbing Union estimated that 12m. people were living in sub-standard houses.

Britain must make sure that the share of the building industry in the country's gross national product did not drop below the present 4 per cent. and improved in the future. It would be foolish to pretend that the situation could be cured overnight.

For the National and Local Government Officers Association, Mr. G. J. Phillips recommended that building societies in Britain should be nationalised.

MICHAEL BLANDEN reviews the SANDILANDS REPORT

Emphasis on instituting new inflation accounting rules

When the Sandilands committee on inflation accounting started its sittings in January 1974, it rapidly became clear that the existing accounting conventions had failed to indicate the extent of the inflation crisis in the company sector.

This comment is made by the committee in the introduction to its report, published yesterday. The U.K., it points out, is "in the grip of the worst period of inflation in its history." The impact on the company sector was particularly apparent *in the liquidity* crisis of last year.

Though companies have been helped by Government relief and the revival of the stock market, "the liquidity crisis is not over *yet and the inflationary* pressure on costs remains."

Existing accounting conventions, it was suggested to the committee, may even have made the position of companies worse — *particularly* by encouraging them to pay bigger dividends and wage rises than they could really afford.

It was suggested "that by applying tax assessments *to the conventional "profits"* declared by companies (albeit with certain adjustments and allowances) the Government itself has contributed to the liquidity crisis of industry."

These comments serve to underline the continuing urgency of instituting new rules enabling companies to take account of the impact of inflation on their figures. The urgency has been fully recognised by the committee under Mr. Francis Sandilands, chairman of Commercial Union Assurance, in producing a unanimous report in just 17 months.

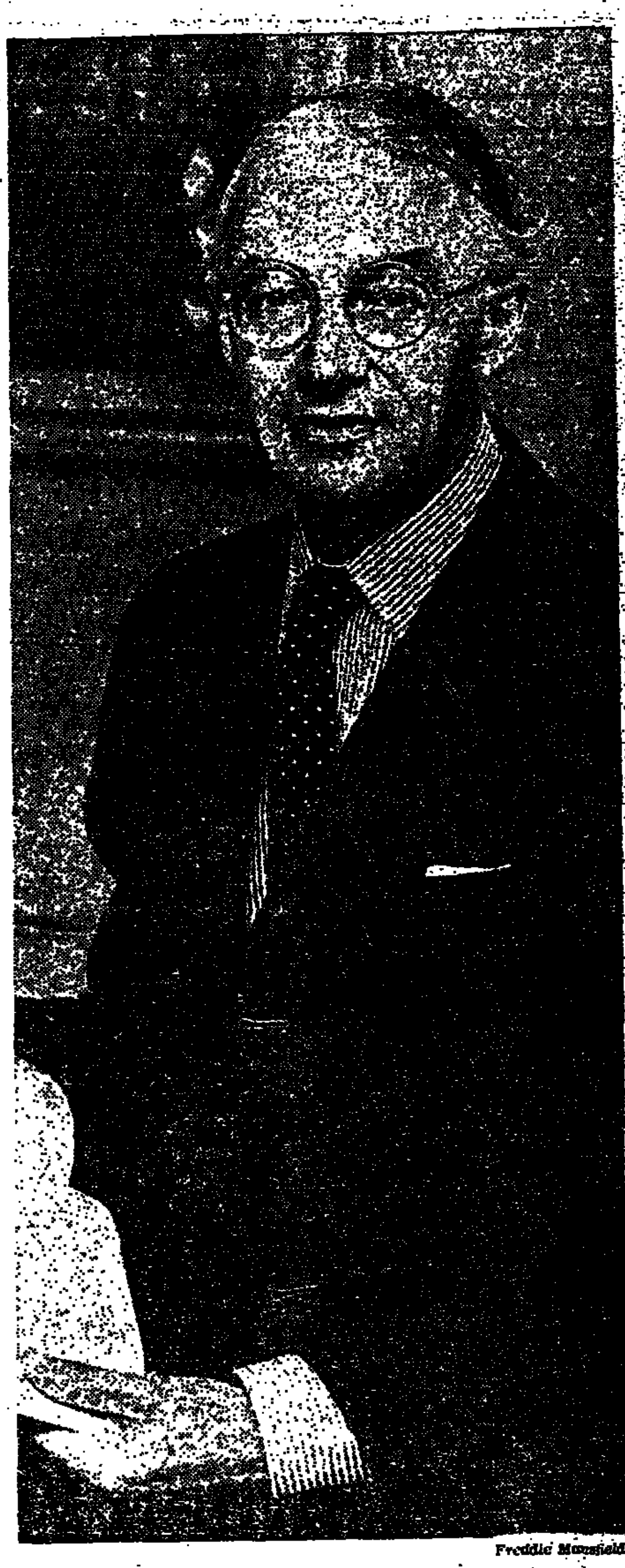
The report is unanimous, and contains no formal reservations by any of the 12 members of the committee. None disagreed with any major part of the recommendations. To achieve this, individual opinions and preferences have sometimes had to be modified "for the sake of a solution which could be put forward as the best collective view."

The committee was set up against the background of accelerating inflation and the publication in January 1973 of the accounting profession's proposals for dealing with the problem through a system of *current purchasing power accounting*, later enshrined pending Sandilands as a provisional accounting standard.

Though the investigation was announced in mid-*1973* by the Conservative administration, however, it did not get under way until the beginning of last year; its activities were endorsed by the new Labour Government in March 1974.

The terms of reference were "to consider whether, and if so how, company accounts should allow for changes (including relative changes) in costs and prices, having regard to established accounting conventions based on historic costs, the proposal for current general purchasing power accounting put forward by the Accounting Standards Steering Committee, and other possible accounting methods of allowing for price changes, and to make recommendations."

Specific issues to be taken into account included effects on investment and other management decisions and the efficiency of companies, the effect on the efficient allocation of resources through the capital market, the need to restrain inflation in the U.K. and the requirements of investors, creditors, employees, Government and the public for information.



Freddie Mansfield

Mr. Francis Sandilands, chairman.

Three main conclusions reached

THREE main conclusions have been reached by the Sandilands Committee on inflation *accounting.*

FIRST, the committee considers that "it is essential that accounts should allow for changes in costs and prices."

***SECONDLY**, it considers that* "existing accounting conventions do not do so adequately, and tend to present the affairs of companies in a misleading way. The overall usefulness of historic cost accounting is "sharply reduced" during a period of rising costs and prices as a direct result of some of the conventions on which it is based.

THIRDLY, while the Committee recognises the "valuable contribution" made by the accountants' provisional standard on inflation accounting, "we consider that the most fruitful line of development in inflation accounting is a system based on the principles of value accounting, which shows the specific effect of inflation on individual *companies.*"

Given the modifications already made to conventional historic cost accounting, the new system would be "evolutionary rather than *revolutionary*" and the committee believes it would be a practical system "which will allow for the effect of changes in costs and prices on a company's affairs more clearly than existing accounting *conventions*, both when costs and prices are generally rising and when they are falling."

Comprehensive

In the committee's opinion the proposed method of Current Cost Accounting (CCA) "is a fully comprehensive method of ac*counting for* inflation, and we do not consider any useful purpose would be served by combining it with the current purchasing power (CPP) method."

The report is divided into five parts. The first (chapters 2-6) examines the measurement of the effects of inflation, the legal background to accounts and the role of the accounting profession and discusses *some of the fundamentals* of accounting theory.

The second section (chapters 7-11) examines existing and proposed accounting methods and concludes that more comprehensive proposals need to be considered. It goes on to look at three such propsals. CPP, "value accounting" including replacement cost and "cash flow accounting."

The third part (chapters 12-14) contains the committee's recommendations for a system of current cost accounting.

In the fourth part (chapters 15 and 16), the committee discusses the implications of the proposed system for public policy, including taxation and price controls.

Finally, in chapters 17-20, the report considers other implications, the position in other countries, and the relationship with "indexation."

Profit

The committee adds a warning: "We believe that Current Cost Accounting will indicate more clearly than existing accounting *conventions the effect of inflation* on a company's affairs and that it is urgent that it should be introduced as soon as possible. However, it should not be assumed that accounting for in*flation is in itself a panacea for* the difficulties during a time of inflation. By demonstrating the effect of past inflation on profits, Current Cost Accounting will provide companies with more *useful information* than existing conventions on the amounts they can distribute in the form of dividends, or pay in increased wages and other costs without eroding the capital required to carry *on their business.* Moreover, in providing information about the past in a more useful form, Current Cost Accounting may help a company to make an assessment of the possible effects of future inflation.

The committee then goes on to *consider the measurement of* net assets and profit. It argues that the task of accounting is to measure a company's "net assets" at a particular date and its gain or loss during a particular period.

"In order to be meaningful these measurements need to be expressed in terms of a common unit. Gains may be classified as (a) "realised" or "*unrealised*" and (b) "holding," "operating" or "extraordinary" gains.

In different circumstances, it is pointed out, different types of *gain may be regarded* by companies as "profit." Any concept of profit "implies an underlying concept of 'capital'." Accounting systems may be classified under three headings:

1—The unit of measurement used.

2—The basis adopted for measuring net assets.

3—The extent to which total gains during a period are regarded as "profit."

The committee examines two possible units of measurement, *four bases of measurement of net* assents and five concepts of profit and capital.

A total of at least nine methods of valuing non-monetary assets were put forward in evidence to the committee, some of them alternative forms of the others; and the committee found 'hat profit itself was a "subjective concept" with inevitable differ*ences of opinion on how far gains* arising during a year could be distributed.

A wide range of profit figures, all equally "correct," can be arrived at, it is pointed out. And the committee was "surprised at the vehemence of the debate and at the extent to which enrenched positions have been taken up in support of one concept of profit or another."

Correct

It expresses the view that "no single concept is likely to be universally 'correct.' Some will be more useful than others in certain circumstances, and it is very unlikely that one concept will be appropriate in all circumstances."

The unit of measurement underlying an accounting system it is suggested, should meet the following criteria:

1—The unit should be equally useful *to all* users of accounts.

2—The unit should not change from year to year.

3—The unit should be the same *for all enterprises presenting* financial statements.

4—The unit should preferably be a physical object which could be exchanged by the users of accounts.

5—The unit should represent a constant "value" through time.

Besides the need for these conditions to be met by the unit of measurement, the committee argues that these general conclusions can be drawn:

The basis of measurement of net assets

There is a requirement for information on the historic cost of net assets and on their current "value" on a number of different bases. The dominant requirement is probably for information on the "value to the business" of net assets.

The concept of profit

The concept of profit appropriate for different purposes may differ widely. However, a concept of 'operating profit' which equates profit with a company's operating gains in the sense defined in Chapter 4, appears to be more useful to many users of accounts than other concepts of profit.

This concept distinguishes clearly between holding, operating and extraordinary gains, and regards only operating gains as profit for the year. Nevertheless, information on the extent of holding gains and extraordinary gains made during the year *is* useful to many users of accounts and should be shown.

The liquidity position

There is a common requirement by most users of accounts for information on a company's liquidity position.

After considering the principles which should be met by "a *useful accounting system*" the report goes on to examine the traditional historic cost approach: It concludes:

Traditional

"To prepare annual company accounts on a historic cost basis, during a period of rapidly increasing prices, reduces them *to a level of usefulness.* Profit measurement requiresthe matching of costs against revenue, and 'costs' usually include amounts relating to expenditure in previous years which have been allocated partly or wholly to the current year, notably the provision for depreciation and the charge for cost of sales.

"When prices are stable, *historic cost profit will also* be the figure of profit after providing for the replacement of the company's assets and after maintaining the 'purchasing power' of capital.

"When prices are increasing, historic costs accounts can only provide information on the historic cost profit of the company and on the historic cost of *net assets,* and can *only be used* to compare the performaice of companies in terms of return on their historic costs.

"While such information remains useful for some purposes, historic cost accounts fail to meet the main requirements for information of users of *accounts.*

"When prices are changing as fast as they have done in recent years, the usefulness of historic cost accounts becomes so restricted that it is essential to modify accounting practices so as to provide "information more relevant to the needs of users of accounts."

To meet these objections, it is pointed out, a number of modifications have already been incorporated in the accepted system including the new accounting standards put forward by the Accounting Standards Steering Committee. The report conducted its own survey of quoted company practices, and finds that htere is "a disturbing situation." The committee concludes:

"Historic cost accounting has been modified and adapted in recent years in an attempt to deal with the problems created by changing prices. Fixed assets, notably property, are increasingly shown at a revaluation rather than at cost but there is, at present, no standard form of disclosure nor an insistence on uniformity of treatment.

"Similarly there is a multiplicity of methods by which depreciation provisions are calculated, some of which depart from the principles of historic cost accounting.

"Surprisingly, however, few companies have taken account of the inadequacies of historic cost depreciation for management purposes. The committee feels that this may lead to defective pricing policies.

"In addition, the treatment of stock has been modified. The problem of stock appreciation has become so serious for British industry that something must be done to remove this distortion from company profits.

"The last in, first out (LIFO) and base stock methods of stock valuation have been proposed in an attempt to deal with this problem but base stock has only limited application and LIFO is not to be recommended for a variety of reasons, including the practical difficulties involved in its application.

"It is cloar that more comprehensive proposals for dealing with the problem need to be considered.

Of the specific modifications to historic cost accounts so far, the most important is the provisional standard on CPP accounting established by the account*ing bodes.*

This provides for supplementary statements to be produced in which balance sheet and profit-and-loss account figures are adjusted for the impact of inflation in relation to the retail price index.

While recognising the contribution made to the debate on inflation accounting, the committee is critical of this technique.

It is "conceptually difficult," it is found, and "in our opinion a unit of measurement with an absolute value through time is unattainable, and the search for such a unit is illusory.

"We see *no* advantage in drawing up accounts in current purchasing power units rather than in units of money. *If U.K. company accounts are to show more adequately than at present the effect of changes in prices it is accounting practices that must be changed, not the unit of measurement in which accounts are expressed.*"

Conclusions

The committee concludes:

"In our opinion the proposals in SSAP7 (the accountants' *inflation accounting rules)* represent an important and constructive attempt to provide a practical means of accounting for inflation without changing the basic principles of historic cost accounting.

"The publication of SSAP7, and the public debate that has followed, have made companies much more aware than previously that inflation can have serious effects on their results, and that during a period of inflation historic cost accounts may have significant deficiencies. This in itself is a vitally important achievement.

"However, in the long-term the CPP method does not remedy these deficiencies and introduces a new set of problems

Main points of the recommendations

CURRENT COST ACCOUNTING

The Committee recommends that an accounting system to be known as Current Cost Accounting should in future become the basis of companies' published accounts. The principal features of this system are:

The accounts will continue as at present to be drawn up in terms of monetary units (pounds).

The accounts should show the "value to the business" of the company's assets at the *balance sheet date.*

Profit for the year should consist of the company's operating gains, and should exclude all holding gains.

Extraordinary gains may be shown as profit *but should be* distinguished from operating gains.

Accounts drawn up in this way should become the basic published accounts of companies. *In addition* the net book value of assets and depreciation for the year on a historic cost basis should be shown in notes to the accounts.

The committee does not recommend that CPP statements should be attached to Current Cost Accounts.

Little useful additional information would be presented *to a user of accounts by such a* procedure and the effect would be to confuse him and to make the annual statements too complex.

THE BALANCE SHEET

The "value to the business" of any asset owned by a company is the loss the company would suffer if it were deprived of the asset. In the great majority of cases this is equal to the amount it would cost the company to replace the asset in its existing condition.

It will therefore normally be appropriate to value assets in the balance sheet by reference to their current replacement cost (allowing for dpreciation where appropriate) taking any holiday gains arising to a fixed asset revaluation reserve.

Property assets should be independently valued at regular intervals. In order to assist in the task of valuing other fixed assets, the Government Statistical Service would make available a series of price indices for capital expenditure on plant and machinery specific to particular industries.

Companies should use these indices unless they have reason to believe that a more precise valuation can be achieved by other means.

In certain circumstances the "value to the business" of an asset will be equivalent to its net realisable value or its "economic value" (defined in the report as the discounted net present value of all future earnings expected to arise from possession of the asset).

PROFIT AND LOSS ACCOUNT

The figure for depreciation in the profit and loss account should be a proportion of the figure of the "value to the business of assets shown in the balance sheet, rather than a proportion of their cost.

Stock appreciation should be removed from the profit and loss account and taken to a reserve. This will be done by making a "cost of sales adjustment" in the profit and loss account, designed to ensure that the profit and loss account is debited with the "value to the business" of stock at the time it is consumed, not with its historic cost.

In the majority of cases a sufficiently precise adjustment may be calculated by charging the quantity of stock consumed at the average purchase price of stock during the year.

In order to assist this calculation, the Government Statistical Service would make available a series of price indices for stocks purchased by specific industries.

TOTAL GAINS FOR YEAR: SUMMARY

Companies should include in their accounts a summary statement of total gains for the year, showing separately their operating gains (current cost profit), extraordinary gains and holding gains (including stock appreciation).

FUNDS STATEMENT

Companies should include with their annual accounts a statement showing the sources and uses of funds in the year of account.

It is not practical to require that companies should publish forecasts of future cash flows with their accounts.

However, directors should include in their annual reports *a statement on the adequacy* of the cash resources likely to become available to meet the company's requirements in the ensuing year.

CHIEF ADVANTAGES OF CCA

The principle of showing assets and liabilities at their 'value to the business' will enable the comparative returns on capital employed of different companies to be assessed in a more useful way during a time of inflation than is possible with existing accounting conventions.

The clear separation in the accounts of holding, operating and extra-ordinary gains will lead to a clear *distinction* being made between gains which are due to a company's productive efforts and gains due to luck or skill in the timing of purchases of assets during a period of *inflation.*

Such a form of accounting presentation will enable the performance of companies to be assessed and compared in a *more useful way* than existing forms of accounting presentation which do not make such distinctions.

It is also particularly important for internal management purposes during a period of inflation to have information clearly distinguishing operating and holding gains.

The principles of Current Cost Accounting are developments of *accounting techniques* already in use by a number of companies.

For example, the 'revaluation' of property assets in company accounts is already *widespread, and the principle* underlying the 'cost of sales adjustment' forms the basis of the 'base stock' method of accounting for stock. Current Cost Accounting is an evolutionary rather than a revolutionary system of accounting.

MONETARY ITEMS

Much of the discussion on inflation accounting has involved the treatment of the 'gain' arising from borrowing during a period of inflation, and the 'los' arising from holding cash or near cash (such as debtors).

Such 'gains' or 'losses' arise in terms of 'purchasing power,' and are thus a central feature of. Regard them as 'gains' or 'losses' in terms of monetary units (pounds).

Under Current Cost Accounting such 'gains' or 'losses' are not included in profit.

However, the effect on *the shareholders' interest* (whether beneficial or adverse) arising from a company financing its activities in part by borrowing during a period of inflation will show through in a Current Cost balance-sheet.

The reason for this is that any holding gains which arise on assets financed by borrow*ing will be credited to the shareholders' interest* while the company's liabilities will remain unchanged.

IMPLEMENTATION OF CCA

The committee recommends that a steering group should bet set up to supervise the introduction of Current Cost Accounting.

If it proves feasible after the detailed programme has been worked out, the following *categories of company* would be required to draw up their published accounts in accordance with the principles of Current Cost Accounting for accounting periods beginning after December 24, 1977:

Companies listed by a recognised stock exchange.

Companies not within category (1) which disclose in their published accounts for the previous period either: a turnover in excess of £10m. or total assets in excess of £10m.

Nationalised industries.

Oother companies would in subsequent years progressively be required to draw up their published accounts in accordance with the principles of Current Cost Accounting.

The above summary is extracted from the official "Brief Guide" to the Sandilands report, published by HMSO at 30p.

Important taxation implications

by expressing company accounts in terms of a new unit of measurement.

Having examined various forms of value accounting, the report then sets out its recommendations for a new basis of financial reporting.

The principles of current cost accounting.

The committee's recommendations are as follows:

1 All companies should as soon as practicable adopt an accounting system to be known as "Current Cost Accounting" the main features of which are:

(a) Money is the unit of measurement;

(b) Assets and liabilities are shown in the balance sheet at a valuation;

(c) "Operating profit" is struck after charging the "value to the business" of assets consumed during the period, thus excluding holding gains from profit and showing them separately.

2 Current cost accounts should as soon as practicable become the basic published accounts of companies.

However, the net book value of assets on a historic cost basis and historic cost depreciation should cnotinue to be shown in notes to the accounts.

3 Companies should include a funds statement with their accounts, *and directors* of all companies should be required in future to include in their annual reports a statement on the adequacy of the cash resources likely to become available to meet the company's *requirements* in the ensuing year.

4 It is not recommended that CPP supplementary statements should be attached to current *cost* accounts.

5 A Steering Group should be set up to oversee the introduction of Current Cost Accounting. A Statement of Standard Accounting Practice should be issued as soon as possible requiring listed companies, large unlisted companies and nationalised industries to follow an initial standard of Current Cost Accounting at the *earliest practicable date.*

It should be made mandatory for such companies to adopt Current Cost Accounting for accounting periods beginning not later than December 24, 1977, if this proves feasible.

The committee goes on to examine some problems associated with the valuation of assets and other details, and then sets out recommendations for "an initial standard of current cost accounting."

This, it is pointed out, is not intended to form an accounting *standard itself,* since the committee has not had time or resources to research into all the practical aspects involved.

Valuation

Central to the proposals are the points made by the committee on the problems of valuation of assets.

It is pointed out that the Central Statistical Office already has specific indices for a total of 19 industries showing prices of capital expenditure on plant and machinery, and it is stated that the Government would be prepared to consider sympathetically a recommendation that they would be published.

The committee recommends that these *should* be published as soon as possible and expanding and refining the list should be considered at the earliest practicable date.

Urgency

Similar suggestions are made in relation to stocks, to help companies which find it impractical to value by other means, and it is stated th formation is available w would enable price indices *stocks to be produced* cov 33 industry groups.

Emphasing the urgency implementing the proposals committee then examines important implications for tionfl. These and other as of taxation, it believes, shou made the subject of a compr sive review by a Royal Con sion.

The impact of the prop on the level of corporation difficult to assess, it is po out. But the committee ments:

Effects of our proposals corporation tax rate

"Since our committee w up, the Government accepted the need to give stantial relief in relation payable on stock appre and such relief has been for the 1973-74 and 1974- years.

It is difficult to calculat precision the effect of measure of tax relief bef is introduced.

We are advised by the Revenue that it is not p to say more than that if ou posals for relief in rela tax payable on stock appre had replaced the syste relief in operation for th 1974 and 1974-75 tax yea cost to the Exchequer have been greater, but no ficantly so.

We conclude that the tance of our proposals fo on stock appreciation wo require any *significant* i in the corporation tax order to maintain the burden of tax on the co sector as it now carries."

By the courts

Summarising its views ation, the report says:

"It is an established p *endorsed by the court* profits for tax purposes be computed in accordan the ordinary rules of acc except where the Tax decree otherwise.

"It would follow t that, if Current Cost Acc became generally accep should be based on curr profit rather than on *cost profit.*

"However, such a fund change should not be int without a comprehensive of taxation as a *whole,* e beyond the corporate se

"Pending such a revie the Committee believes now be commissioned, mittee recommends the ing:

1—Tax relief on stock ation should contin granted as a deferral of exemption from, tax. back of relief should b *when the volume* of reduced.

2—It is an integral par Committee's reco tions that 100 per cent *allowances should contin* given on qualifying ca penditure.

3—Commercial building in future qualify fo allowances.

4—'Roll-over relief' o gains should be e and consideration sh given to extending the other classes of assets investment companies.

5—Recognition of the changing prices in liability to capital g should be considered.

6—No change should be the treatment of int tax purposes.

7—Further study sh given to the practic *of the 'advance corpor* system.

8—Provision should for deferred tax on arising on asset revalua

Other implications fo policy are also covere

The committee rec that Current Cost Ac should become the basis *on* which the Gove price control policy shou ate. It should also *form* of the profit formula a to Government non-co contracts and should *accounting system used* Monopolies Commission ining the profitabili industries.

The implications for tal market are then di "The Committee believ while the adoption of accounting system in itse likely to have a dramat on the equity market, th be benefits from the prov more useful information the equity and the loan m

The effect on the level sumer price inflation is cussed:

"The committee has conflicting evidence whether inafltion ac might affect the rate of experienced by consume introduction of Curre Accounting may cause so panies to seek to raise p will not alter the und position of a company worst is unlikely to adv more than a few mont realisation by a company profitability is too low.

Any such likelihood is weighed by the advant Current Cost Accounting the point of view of reporting. The extent a company can in practi prices will depend on ma legal considerations."

The report concludes examination of procedu other countries, parti Brazil, the Netherlands U.S., and with a conne indexation, where it is that the committee's reco dations are not relevant.

Inflation Accounting: Re the Inflation Accounting mittee. 364 pages. HMSO price £4.25.

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The Technical Page

DITED BY ARTHUR BENNETT AND TED SCHOETERS

● INSTRUMENTS

Joint venture base for world success

RITISH Industry is often ccused of being able to innovate ut not follow through to romote the innovation on world larkets. Yesterday, Racal and erranti disclosed equipment hich is the outcome of collabora- on many of the pundits would ave said was not possible.

Racal has made use of the CDI rge scale integration technology ioneered by Ferranti to steal a ossible two-year advance over very other manufacturer of igital counting equipment, icluding all the well-known merican companies.

Seen from a company purchas- g officer's viewpoint, the new ounter-timer and frequency eter series 99 units now offered y Racal provide many new func- ons at no price increase over urrent designs, which is a rmidable achievement in the ght of current inflation.

Seen from the angle from hich the technical user will ew it, the new equipment has n immediate advantage in its tremely low failure rate—so w it cannot yet be quantified id so low that it allows the com- ny to give a two-year guarantee th the possibility that the uipment will have a 50-50 ance of continuing to function ter a breakdown simply by placing the main LSI.

Racal is retaining full rights the masks and the layout of e chip, which is an extremely mplex device comprising over 00 discrete functions on a 180 le square.

This chip replaces some 140 L devices used to set up the ginal designer's concept of the trument and it is fair to say at without the Ferranti tech- logy to develop what is the ly known production device pable of counting directly up 50 MHz and more, Racal would t have secured its present vance.

In so far as reliability is con- rned, Racal has recorded 000 hours of operation on oduction chips without failures of any kind and yet ten per cent. of testing time has been to environmental extremes.

At the moment, there is no other source anywhere in the world for circuits made in this way, though second-source negotiations are under way for the production of CDI devices. But even if there were, Ferranti is a world leader in CDI, no U.S. company has pursued this technology — which allies the speed of bipolar to the manufacturing simplicity of MOS—and Racal has full rights to the manufacturing masks.

This does not mean that Racal would not be prepared to sell assemblies on an OEM basis, but it is already clear that this company—a world leader in ground communications equipment—has stolen a march in the production of units to test such equipment.

Notional MTBF figures for the more complex instruments in the series are around 5,000 hours with 10,000 hours quoted for the simpler devices. But the sales life of the instruments which will be moving from Racal Instruments production centres into the trade over the next few weeks is of the order of four to five years compared with a year or so previously.

What is more important is that, having carried out this major design effort in producing this multi-function chip with Ferranti, the Racal production team has many different options up its sleeve so that, once in the field, its sales experts can rapidly feed back to the production centres any new frills important buyers would like to see. These are simple to add.

In this time of depression and dire predictions, it is encouraging to see two well-known names joined together in the development of equipment which has an extremely good chance of securing a significant proportion of an estimated £50m. world market.

Racal Instruments, Duke Street, Windsor, Berks SL4 1SB.

Mobile gas analyser for oxygen

AUNCHED at this year's Control d Instrumentation Exhibition st held in London was a new rtable oxygen gas analyser from ylor Servomex of Crowborough, ssex (08926 2181).

The OA262 is compact, light- ight, simple to operate and tremely robust. It is designed imarily for industrial, marine d medical applications. In ordance with the new Health d Safety Act, the device is o suitable for monitoring rking environments for the k or excess of oxygen.

Two versions are available: industrial and marine appli- ions and for laboratory and dical applications.

Weighing only 3 kg., the 262 housed in a virtually unbreak- e polypropylene case. To hstand severe shock, a cially robust version of the lor Servomex "dumbell" gen cell has been incorpor- d. Operated from standard 7 and PP3 battery cells. ple direct readings may be ained with three switched ges of 0 to 10, 25 and 100 per t. oxygen.

ccuracy to ± 3 per cent can maintained for 30 minutes r calibration. The instrument will operate between the temperatures of —10 degrees C to +50 degrees C.

Taylor Servomex, Crowborough, Sussex, 08926 2181, for further details.

Portable oxygen indicator

A LIGHTWEIGHT, easily operated, robust and portable oxygen analyser has been launched by Taylor Servomex, Crowborough, Sussex (08926 2181).

Intended for industrial, marine and medical applications the OA262, in accordance with the new Health and Safety Act, is also suitable for monitoring working environments for lack or excess of oxygen.

Simple direct readings can be obtained with three switched ranges of 0 to 10, 25 or 100 per cent oxygen. Accuracy to ±3 per cent can be maintained for 30 minutes after calibration and the instrument will operate between —10 and +50 deg. C.

The OA262 has been certified as intrinsically safe by BASEEFA and the marine version, supplied in a waterproof carrying case, has been approved by Lloyds for shipboard use. Operation is from dry cells, and the weight is 3 kg.

PRODUCTS

Metric hole saw range

OWN HOLE saws in 20 and m sizes are available from guard Fixings, 41 Onslow d, Southampton SO2 0JL 3 32142). Other sizes will be lable soon, the company says.

he carbon steel saw blades e a short reach to ensure dity, and to reduce eccentri- and wear. The blades are aped to solid aluminium ies, to close tolerances with head screws which resist age by screwdrivers. A ble ended body is available.

he company recommend (and supply) split-point centre s for accurate positioning, stance to skidding and faster etration. The Vanguard drills e short flutes so that when the blade comes into operation tool is centred by the non- d shank.

Resilient mount for components

NOVEL method of mount- components such as tines are subject to mechanical k has been devised by Mr. E. Klinner of the National tute of Agricultural neering (NIAE), Silsoe, ordshire. Apart from its cation in agricultural equip- such as tedders, flail ers, conditioners and culti- s, the mounting could be opriate for industrial inery.

ny agricultural machines porate a rotor on which —tines, blades or beating —are mounted. A designer to ensure that the arms yield when they strike, say, stones or other heavy objects while working on grass, hay or other crops. In the past, shear pins, spring-steel tines and coil springs have been used to provide the necessary protection from damage, but such elements can be expensive and the replacement of damaged parts is often difficult. Designs in which a resilient material is used to link the tines to the rotor have been proposed, but their disadvantages are that the tine-orientation and the clearance with other components may be affected by the speed of rotation and that the resilient material may fatigue rapidly, with the replacement of fatigued components being too complex for the farmer to undertake.

The mounting devised at NIAE is distinguished from previous designs in that each arm is pivoted directly from the rotor and cushioned against shock by a resilient element subject to compression rather than torsion.

Non-agricultural applications might be in materials handling or conveying equipment. The principal advantages of the mounting over other types are that any protected component is positively linked to the rotor or other actuating device, and that the resilient blocks can be made easily replaceable and fatigue less rapidly than torsional mountings. In many cases this form of overload protection may allow less expensive types of steel, or other materials, to be used than would otherwise be necessary.

Companies interested should contact Lewis Wilson, Mechanical and Civil Engineering Group, NRDC, London, SW1E 6SL. 01-823 3400.

● *By agreement between the Financial Times and the BBC, information from The Technical Page is available for use by the Corporation's External Services as source material for its overseas broadcasts.*

● COMMUNICATIONS

Racal aims at tactical markets

RACAL plans for future growth in tactical communications involve extremely close working between Racal-Mobilcal and Racal-BCC.

A new company, Racal-Tacticom, has been established as a holding and marketing company to bring together the two groups and give overall direction.

Racal-BCC and Racal-Mobilcal will continue to design and manufacture but marketing will be the responsibility of Racal-Tacticom. It will thus have a powerful marketing organisation, the strongest in its field in the world, the company says. It will be able to concentrate efforts on international markets already established.

The Racal-Tacticom product range is used by military, para-military and police forces, in both the portable and mobile—land, sea and air—roles, in over 120 countries throughout the world. The range, comprising HF and VHF radios, provides a total tactical communications capability.

Racal is looking for a turnover of not less than £30m. in Tacticom's first year of operation. More armed forces already use Racal-Tacticom's equipment than that provided by any other individual manufacturer. Overseas sales should be well over 75 per cent. of all production.

● PROCESSES

Repairing damage after fire

A SMALL Danish company has developed techniques for renovating fire-damaged electronic equipment. The company, Inmentic A/S, of Silkeborg, is working in co-operation with local insurance companies and claims to be saving both industry and the insurance companies very substantial sums.

Inmentic has set up a Swedish company this year and expects to be operational in Norway and the U.K. before the end of the year. It is also negotiating with insurance companies and manufacturing firms in other European countries.

Electronic equipment is often damaged by acid corrosion which develops as a result of fumes from burning plastic. Although a fire may only be small, and the apparent damage to equipment slight, over a period of months corrosion will often make electronic equipment unreliable. By this time the damage is irretrievable and the equipment must be completely replaced.

The Inmentic service, called Fi-Re-New, moves in within hours of a fire, dismantles equipment and takes it to its special laboratory in Silkeborg, first of its kind in Europe. The equipment goes through a lengthy chemical cleaning process, combined with the use of ultrasonics for removing small adherent particles. The cleaned equipment is returned to the owner and installed and tested on the premises.

The process has shown that claims on insurance companies can be cut to 7 to 10 per cent. of the sums which would have been payable if damaged equipment had to be replaced, according to Mr. Klaus Aarup, marketing director. Equally important, a company does not suffer a long break in production while new equipment is ordered and installed, a process which can often take months. Inmentic will normally be able to renovate and reinstall equipment within one or two weeks.

The company has about 45 employees and had a 1974 turnover of Kr.5.5m. (£440,000). It is at Sankelmarktsvej 72/76, DK-8600, Silkeborg.

Low-cost printer

UP TO 132 characters can be printed across 8½ in wide paper (16½ per inch) at speeds up to 2400 baud using the 200 KSR/XL printing terminal offered by Pragma, 29 High Street, Edgware, Middx. HA8 7UU (01-952 8471).

The unit forms characters in a 7 x 9 matrix and provides a 96 character font with both upper and lower case. Speeds are selectable in seven steps from 7.5 to 240 characters/sec. (75 to 2400 baud), and effective throughput is increased by discrete line feed and carriage return from any point on a line.

Non-impact printing on electrosensitive paper provides virtually silent operation and the copy produced is smear-free. It will not flake or discolour with age claims the company, and is easily reproduced. No ribbons, toner or other fluids are needed.

Accepting the usual codes, the printer can process serial or parallel data and is designed to interface with crt terminals, computers and other digital equipment. Other character sets and input/output levels can be supplied.

● CALCULATORS

Users are given many options

MANAGEMENT calculators which provide programmed calculating power for many business computations are offered by Hewlett-Packard under the designation HP-22.

Full financial capability is combined with basic business, advanced statistical and mathematical functions for solving problems in financial and investment analysis, accounting, banking, marketing, retail, research and general business management.

At £99, including VAT, the HP-22 includes many functions resulting from market research among the international business community. One example, at the request of U.K. and European users, is the function which calculates payments at the beginning or end of payment periods for loans—vital in determining the most profitable or least costly method for investment decisions. Another is the ability to calculate the true annual interest rate on repayment loans.

The 22 contains four working registers, five addressable financial registers and 10 addressable storage registers.

Keys are provided for evaluating a combination of time and money problems including simple and compound interest, present and future values, number of periods, interest rate, loan payments, sinking funds, annuities ordinary and due, discounted cash flow, depreciation and internal rate of return.

Capabilities exist for making analyses and forecasts using accumulations, mean and standard deviations, linear regressions and estimates and growth curves. Functions such as common logarithms, natural antilog, square roots, raising numbers to a power, multiplication and division by the constant 12, as well as the four basic functions are also part of its repertoire.

Percentage, percentage difference, percentage of total, net amount, mark-up, chained calculations are part of the business-oriented abilities of this machine.

This combination allows the user to evaluate many business problems and financial opportunities from several viewpoints to arrive at the optimum solution.

Hewlett-Packard, King Street Lane, Winnersh, Wokingham RS11 5AR. Wokingham 784774.

● ELECTRONICS

Keyboard has reed switches

WHERE A low profile and small size are important, keyboards using reed switches offered by Hamlin Electronics should prove useful.

The miniature magnetically-operated reeds employed are specifically designed for high speed, high reliability switching over an extended operational life. A range of key configurations is available covering one to 12 positions with the keytops double-shot moulded to ensure maximum clarity and resistance to wear. The colours of the base and legend are identical and a contrasting colour is used for the face.

The keyboards are available with either standard pin terminations for PCB mounting, or are PCB-mounted for edge connector applications.

Actuating force is low and the operating distance is only 2.00 mm. Maximum switched voltage is 28 V dc and the contact rating is three watts. More from the company at 14 New Road, Southampton, Hants SO2 0AA (0703 32832).

The Property Market

BY JOHN TRAFFORD

The coming shortage of town centre schemes

THIS has been a week for news about town-centre shopping schemes. There is more news about Arrowcroft's scheme for Newark and progress reports have appeared on Lenworth's Maidstone scheme and Telegraph Properties' development at Kirkby.

Undoubtedly the greatest interest surrounds Newark because it is still at an early stage and because so few new schemes are being undertaken. Since the £3.5m. scheme was announced by Arrowcroft last month the company has received a number of inquiries from retailers expressing new interest in the scheme or reaffirming the interest they had shown over the past two years. Furthermore the identity of the financial backer has now been revealed. It is the Royal Insurance, which has fully funded the scheme.

With so few new schemes to choose from, retailers appear to be making sure of their presence in any successful schemes that are going ahead. The outlook is not rosy for further town centre schemes because of the impending Community Land Act and the present Development Gains Tax. These political and taxation problems, combined with the difficulty which many companies have had in funding town centre schemes over the past two years, will probably mean a return to refurbishments of existing High Street locations.

The Arrowcroft scheme will comprise 100,000 square feet of pedestrianised shopping including three major space users together with 15,000 square feet of offices and a 530-space car park. Construction is to start early next year with completion scheduled for end-1978.

The developers are being granted a long lease on the four-acre development site just *behind the town's Market Square* by Newark District Council. Weatherall Green and Smith are acting as development consultants and letting agents.

In Maidstone Healey and *Baker with Walter and Forknall* of Maidstone are to start a major campaign early next month to let the 120 shop units in the town centre multi-level shopping scheme. Construction started in September 1973 and completion is expected on schedule late next year.

The developers are Lenworth Investments, a subsidiary of Edger Investments which is controlled by Prudential Assurance. Early in the scheme two important lettings were agreed, one for 77,000 square feet on three levels to Tesco and another of 34,000 square feet to Sainsbury. Negotiations for the letting of a third large store of 30,000 square feet have been taking place with Habitat.

In the development's second phase not yet started, a 90,000-square-foot department store is planned. Negotiations have been going ahead with Bentalls.

The development, on 8 acres between King Street, Gabriel's Hill and Romney Place, is totally enclosed and air-conditioned; there are two car parks for a total of 1,150 vehicles.

Apart from the shops a 90,000-gross-square-foot air-conditioned tower block is being built and, if a planning consent is obtained, a further 70,000 square feet is planned for a subsequent phase *for which an ODP is available.* The main contractors for the development are Sir Robert McAlpine.

A rather similar pattern is to be seen at the larger £5m. *Kirkby town centre redevelopment* by Telegraph Properties of Liverpool, now nearing completion. The two main stores have been prelet, one of 110,000 square feet to Woolco and another of *54,000 square feet to* Asda. A third major letting has been a 25,000-square-foot entertainment centre and twin cinema to Bonningtree, a new company.

Asda will open for trading on September 30 and Woolco on October 14. The entertainment centre should be in operation some time in November.

Negotiations for a lease on the land, which is owned by the local authority, began in 1973. Planning consent was won in December that year and the lease signed in March, 1974, at the same time as under-leases were signed with Woolco and Asda.

The development is being financed by assignment of the ground lease and lease back to Telegraph Properties with the *Norwich Union. Mason Owen* and Partners and Wrather and Company acted for Telegraph in obtaining the finance and are also the letting agents. The main contractors have been Tysons.

Bullish on London rents . . .

A RENTAL of just over £15 a square foot has been agreed for the first letting in Imry Property Holdings' recently completed Irongate House, an air conditioned office block in Dukes Place, London EC3. Dart Containerline has moved into 2,100 square foot of offices on the second floor, about half the 4,250 square foot space that is available on each of the six floors. The letting was arranged by Jones Lang Wootton and Knight Frank and Rutley who were joint agents for the scheme.

Irongate House has been developed by Imry in association with the Norwich Union. It is situated close to Lloyd's and the Baltic Exchange and has been built to an extremely *high specification.* The agents report "strong interest" in the remainder of the accommodation.

The rent agreed on this small unit is a considerable achievement for the letting agents and tends to support the view, widely canvassed, that there is no oversupply of really top quality prime located modern office space and that rent levels, although much lower than those of 18 months ago, are nowhere near disaster level. How well and quickly the rest of Irongate House is let will be of considerable interest.

In this context it will also be interesting to see what progress is made by Edward Erdman and Healey and Baker in letting the recently completed 15,627 square foot net "South Lodge" office development in Knightsbridge, London S.W.7. Active marketing of the property, which is being offered for sale at £3m. or on a 20-year lease at a *rental* of £185,000 a year, is about to get under way. Overall, the asking rental equates to about £12 a square foot but this includes a director's suite of 1,851 square foot as well as 13,776 of offices.

The property, which has been developed by Trafalgar House Developments, is well located in relation to the main embassy area of London. The developers are clearly hoping for an outright sale or for a letting to a single tenant, most probably a foreign government in need of *office space in the area for its* embassy staff. Trafalgar House Developments believe that an office unit of this fairly modest size stands a particularly good chance of selling or letting well. *They also believe that a high* specification building is better placed in to-day's difficult market conditions.

. . . and bearish

DOWN go the rents in London, E.C.4. The latest low must surely be the £3.25 a square foot being asked by Collier and Madge for a *3,200 square foot self-contained* and recently renovated building with a good frontage to Fetter Lane. The rental includes carpets, a luxurious boardroom complete with furniture, installed PBX telephone system, shower and kitchen.

This rental really does reflect the depression of the market and it must worry other property owners in the area who are still asking as much as £8 a square foot for sometimes less attractive space. If this building does not let quickly, what will?

Industrials near Manchester

THE Manchester area has for some time been a rather more buoyant market for industrial lettings than most of the rest of the country. The recent experience at John Finlan's Stakehill industrial estate at Middleton just north of the city and adjoining the M62 motorway demonstrates why there is some optimism about further industrial development in the area.

The developers have been active on the 180 acre site since early 1973 and have already developed 22 acres. The current programme, divided into two phases, comprises the development of a further 40 acres in conjunction with the Royal Insurance Group.

Phase One of the current pro*gramme involves* 39,000 square feet divided into seven units. Structural work has been completed and the units are currently being fitted out. Phase Two, which has not yet started, *will comprise a further* 46,000 square feet.

The encouraging aspect is that three of the seven units in Phase One have been committed at the asking rent of 95p a square *foot after only three months of* serious marketing by the joint letting agents St. Quentin Son and Stanley of London and Mason, Owen and Partners of Liverpool. The developers are now waiting *for the lettings to* progress a little further before taking the plunge and going ahead with Phase Two. But as things stand at present, their intention seems to be to press ahead before the end of the year.

A farewell to Press Releases

THIS IS the last property column I shall be writing. Next week, I am foresaking the world of journalism for that of executive search consultancy. Quentin Guirdham, until now author of the Men and Matters column, will be taking on the work of reporting commercial property for the Financial Times.

By way of a farewell I want to return to the important subject of how the industry communicates with the outside world. The standard of Press Releases shows little improvement. Many are undated, most omit some information essential to making the news of wide interest. Frequently the person to contract for further information is away when the Press Release reaches its destination. As for spelling mistakes—well, I have been over that ground before but one Release received this week *glaringly* misspelt a very well known High Street name. Another contained the following opaque sentence: "On time and on projected cost both programmes set in 1973 and both kept too since." *Indeed.*

Often, however, it is not the syntax nor the spelling which is at fault but something more important. One may receive this *kind of thing:*

"The Excelsior Park Trading Estate, Little Wizened, a multi-million development by Quickbuk International, is one of the finest industrial estates ever built in Britain. Finished in rugged rough cast concrete with solar absorbing windows, the units ideally meet industry's latest needs while blending with the tranquil air of the surrounding countryside. Much of the estate is on offer at rentals described by Quickbuk as 'exceptionally realistic' and keen interest is being shown by a number of famous high-street names. The whole development has been sold to a major institution for an undisclosed sum."

An exaggeration, of course, but notice that the release contains *no news.* Furthermore there are no dates, no purchase price, no asking or achieved rentals, no names, just plenty of wordy generalities interspersed with unhelpful detail. Such Press releases *simultaneously* waste the time of those preparing them, of the journalists who try to understand them and the readers of those newspapers which do not delve more deeply.

Last month the Office of *Fair* Trading produced a report which suggested that the Trade Descriptions Act 1968 should be extended to cover statements about property and land. Since Press releases are not offers for sale they would not come under the Act even if it was extended in the way suggested. Yet so misleading are some of the releases on matters of public interest it would be nice to feel offenders could be brought to account.

OUT AND ABOUT

● Errill Securities has completed the letting of its [illegible] square feet warehouse development at City Road, Fenton, [illegible]-on-Trent, except for one [illegible] 36,250 square feet. Union [illegible]national Group, which has 60,000 square feet, and [illegible] Smith which has rented [illegible] square feet agreed terms two years ago. Securicor [illegible] 15,500 square feet agreed [illegible] space more recently. The *rental for the unlet unit* [illegible] square foot which Matthews Goodman as letting agents [illegible] to achieve. A two-storey [illegible] square feet office block [illegible] same site has been sold to [illegible] *known trades union which* [illegible] occupy part of the premises [illegible] let out the rest. Market [illegible] levels in this area are [illegible] £1.75 a square foot.

● The Overseas Division [illegible] National Westminster Bank [illegible] agreed to pay £2 a square [illegible] for 16,000 square feet [illegible] conditioned office accommodation on two floors of No[illegible] *House, Colston Avenue* in Bristol. Car parking is i[illegible] in the letting which was [illegible] on the instruction of the [illegible] to the London Indemnity [illegible] General Insurance Co[illegible] Stanley Alder and Price [illegible] sented the receiver.

● "A grown-up comic" [illegible] way Druce and Co. [illegible] their livened-up version [illegible] standard agent's circular [illegible] they put out last month [illegible] agents include drawings [illegible] craft, lorries and build[illegible] well as maps and photog[illegible] the circular, which cove[illegible] trial property in the so[illegible] format, certainly more [illegible]ing visually if not more i[illegible]tive than the standard circular, is to be repeat[illegible]

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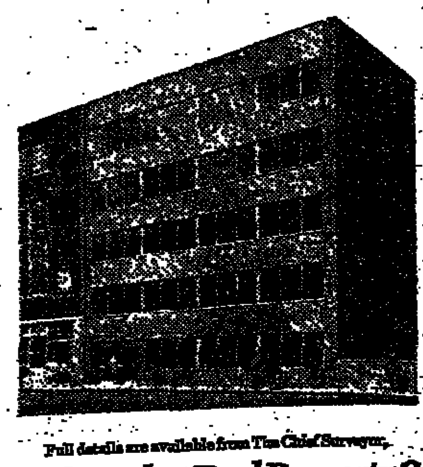

Full details are available from The Chief Surveyor,

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The Executive's World

More power to the workers

BY ROY LEVINE

Lord Ryder

Mr. Don Lander

ON MONDAY the joint working party of workers and management at British Leyland Cars reconvenes to discuss detailed plans for the implementation of worker participation. The basis for discussion will be the proposals put forward by Lord Ryder which include the three-tier system of joint committees and councils which have already been accepted in principle by the trades unions involved. It only remains to agree on details for a package that will be given a 12-month trial.

At the same time negotiations at Chrysler are continuing on the more provocative worker participation proposals presented by management in May as part of its annual wage negotiations.

These two sets of negotiations are being watched closely by industry because the packages they eventually produce are likely to have a major impact on the way that worker participation develops in Britain.

It is significant that both are in the motor industry which has perhaps the worst industrial relations history in industry. The problems the two companies are tackling are basically the same. The U.K. motor industry has the lowest labour productivity in the world, with British Leyland producing value added per man of £2,129 in 1974 and Chrysler £2,765—less than half the figures for General Motors and Ford (U.S.). Low investment and poor industrial relations are the two factors most cited for this lack of performance and it is in an effort to improve on the latter that the negotiations are taking place. This becomes especially important at a time when the number of redundancies is increasing.

Neither the Ryder plan nor Chrysler's package has been acclaimed by the trades unions, rather both have been received with some cynicism. The Chrysler plan was at first rejected by the unions. Only after Mr. Don Lander, the managing director, has talked hard for an hour did the shop stewards at Coventry decide to accept the proposals in principle as a basis for detailed discussions.

Both plans were produced under some pressure. In Chrysler's case, the company was facing its annual wage negotiations against a loss of £17.7m. for the previous year and falling market shares. It could simply not afford to have setbacks caused by industrial disputes. So it presented a broad package involving not only worker participation in management decisions, but also plans for sharing profits and—more controversial—arbitration procedures to settle disputes and centralised pay negotiations.

In a sense, the management was opening the door for participation but asking for a quid pro quo in tackling two areas which had often led to disputes. There are 54 units at its plants in the U.K. which negotiate separately for wages and so there are that many opportunities for disputes. But any major centralisation of wage negotiations would mean a dilution in local shop stewards' power which they are reluctant to accept. Indeed, it is over this point that the main objections were raised by unions.

Lord Ryder did not tackle this sensitive area as directly. He recognised in his report that there was a need to reduce "substantially" the number of wage bargaining units (246 in the group) but did not make any specific recommendations about how this should be achieved. Perhaps he recognised that it would be more sensible to first create workable consultative and decision sharing committees which could tackle this question. As a result it does not feature as a major obstacle in the negotiations for worker participation.

Another difference in the way the two companies are tackling the overall problem is in the creation of worker directors. Once again, Chrysler has stepped directly into this area at a time when there is by no means any consensus about how it should be tackled. The TUC has recommended an equal distribution between worker directors and management on a supervisory Board. But its decision is not universally accepted even among its own membership. Mr. Peter Shore, the Trade Secretary, is setting up a Commission of Inquiry into industrial democracy which will examine just this question for the private sector. But he is having some difficulty in finding a chairman. Lord Rothschild refused only last Wednesday. There is already an investigation into how the public sector should tackle it.

Chrysler's recommendation is to put two worker directors on its 13-man board. To what extent that gesture will help its management get agreement from the unions for the other parts of its package remains to be seen. The outlook is not promising. The response of one senior shop steward at Chrysler, Mr. Bob Morris, was that worker directors would be "management's pets on the board."

Lord Ryder and his committee took the view that it would be better to wait until the government had worked out its policy on this question before making any recommendations.

It is at the lower level of worker participation — on the shop floor — that the really important contributions can be made towards creating a dialogue between workers and managers. But, although details and precise numbers have still to be worked out in each case, it is already clear that management does not intend to give up its executive role. Lord Ryder stressed this explicitly in his report.

What has become known so far is that Chrysler will set up two employee committees: the Plant Employee Representative Committees (PERC's) which would meet weekly with the plant manager in the chair to review the operation of the plant and appoint representatives to decision making committees involved in plant issues such as manning levels.

Each PERC would elect representatives to the Chrysler Employee Representative Council (CERC) which would review all aspects of the company's activities with senior management. It would also appoint two directors to the Board and representatives to existing key decision making bodies. There would be between two and four worker representatives on these bodies which are at present ten to 12 strong.

British Leyland's plans have not been as precisely spelt out at least in public. The plan put forward by Lord Ryder is a 3-tier system of joint management councils for senior management and union representatives, joint management committees for senior managers and shop stewards and departmental joint management committees for the shop floors.

The difference in approach between joint committees (where presumably there will be an equal number of worker and management representatives) and a combination of worker councils and executive committees with a preponderance of management representatives is more than a nicety. British Leyland's scheme is hierarchical (along the German pattern) and does not afford the same degree of horizontal participation in daily decision making as the Chrysler scheme. Both schemes, though do offer participation in making future plans.

Because the Chrysler proposals are more ambitious and involve more controversial matters such as arbitration of disputes and centralised pay negotiations (which are likely to be opposed by the shop stewards) it is likely to take longer to reach agreement.

British Leyland on the other hand is nearer a final agreement and could implement its worker participation strategy before Chrysler. But both companies in their own way are stretching the boundaries for worker participation which the rest of industry is watching with apprehension.

Delta defines itself

BY DOINA THOMAS

ONE OF THE basic attributes of a good manager, as opposed to an entrepreneur, is probably the possession of a tidy mind. At least, that could explain why many a company founded by an entrepreneur develops an acquisitive tendency when he turns manager or when the professionals move in.

Once having tidied up the industries in which they exist — paying profits in effect — they turn their attention inwards and tidy up inside the house. Divisionalisation or centralisation, and certainly rationalisation, become the words of the day. And as the collection of companies is sorted out, profits usually come too.

But, having tidied the obvious inside the industry and the company, then the managers have to find other outlets for their energies, not to mention sources of profit for their companies. These other outlets usually take two forms, the tendency to spread overseas and the move up the added value in products, without much general rule as to which comes first.

This, with some variations of detail, is very much the evolutionary pattern of the £408m. turnover Delta group formed by the merger of Delta Metal and Enfield Rolling Mills in 1963. It is now at the point where it is actively pursuing products with greater added value than its staple lines of brass semi-manufactures and cables. And it has set itself the target of getting three fifths of its profits from outside the U.K. in the 1980s.

The company's activities in 1974 are a clear illustration of its present position. It bought a company in Brazil and started negotiations for a holding in another now acquired, a 70 per cent stake in a French company was taken, an English company making specialised valves was bought and an existing subsidiary "which did not fit in with any of our other activities" was sold off.

The Delta group now consists of seven divisions plus the overseas interest in one division under the deputy chairman. The largest of these is the £100m. turnover ERM division which casts, rolls, extrudes and draws non ferrous metals (in other words copper) as well as being the Delta copper buyer. The smallest is the Astonia division, a collection of companies making bits and pieces from brass and steel, hardware goods, as well as valves, tubes and couplings, and turning over £21m.

The divisional structure chosen by Delta eight years ago is the simplest form of tidying up, the subsidiaries are roughly grouped according to common interest, with the Astonia division probably having the greatest diversity. The divisions organise themselves internally into sub-divisions or other groupings and are managed by divisional Boards whose meetings may be attended by Lord Caldecote, group chairman and chief executive, or Geoffrey Wilson, group finance director. "I attend about two out of three divisional Board meetings," observes Lord Caldecote, "a chairman should get around and meet people."

"To some extent, of course, any organisation has got to be tailored round the people it has," Lord Caldecote says, adding, too that the structure must evolve with the company size. For example, he believes that a group Board of about 15 directors, some non-executive, is the maximum manageable number (even with a non-hierarchical Board table such as Delta has). This means that not all divisional chairmen can be on the main group Board, though all are on the chairman's executive committee. The present Delta Board is 14 strong, including three non-executive directors ("I could do with another one," says Caldecote) but two of the executive directors each represent two divisions.

The latest of these to join the Board is Kinsey who was invited to join the Board just last year. He is chairman of both rod and component divisions with sales of £83m. and £82m. respectively. These two divisions are very much basic Delta businesses, the first extruding brass rods and the second making various fittings or semi-manufactures from brass. Neither is in a growth situation and their industries have virtually been rationalised as far as possible.

Kinsey runs his two divisions from a minute but new head office at West Bromwich on top of one of his factories. "I believe very firmly that the man in executive charge should live over the shop," says Edward Sunderland, chairman of Delta Enfield Cables. Sunderland's belief is probably shared by most of his colleagues and keeping line management back at the shop helps maintain another of the Delta creeds, that there should only be a very small group headquarters.

Lord Caldecote

The cables division, with sales of £81m. the third largest in Delta, reflects in its style of management much of the current management philosophy of the company, to take one point of similarity Sunderland does not believe in functional directors at divisional level. "I try to put my managers in the same position as if they were running their own businesses," says Sunderland.

The divisions are run with the lightest of controls from head office; the chairmen all having full profit responsibility, the only line managers with an indirect link to it are the accountants who also report to the finance director. "On the whole Delta does not have a written procedural manual, the annual budget is the authority to proceed, but it tends to give guidelines."

The guidelines are issued on matters such as accounting practice and manpower policies. More active discussion is initiated over possible acquisitions, major changes in policy or capital expenditure over a certain ceiling. "The group centre has emerged over the last three or four years," observes Sunderland, "and it is only just now starting to get more formal."

The most formal edict from the group centre is over the buying and accounting of copper stocks. "We buy all our copper from ERM which is the group buying operation," explains Sunderland, adding that Cables gets no special advantage because the two are in the same group, "except in that we are its largest customer.

"It is essential to segregate the impact of copper price fluctuations from the normal trading results," says Wilson, "then outside investors and our own managers can judge the true trading results."

A much less formal edict—more of a persuasive campaign—has been the supplanting or preceding of subsidiary names by the group name, Delta. Where the Delta name cannot be used, the Delta symbol and colours are used. The object of this corporate identity campaign, organised by personnel research, the marketing services department, is to bring home to both public and employees the vast extent of Delta interests. "We make half the taps in this country but no one knows because they are just labelled hot and cold, not Delta," is a favourite Wilson lament.

"Though the real advantages of size are few and far between," according to Caldecote, this stressing of Delta's range of interests is intended to give an overall impression of stability.

At present Caldecote is convinced that divisionalisation is the right form of organisation for Delta, and the system of divisional board meetings, together with the chairman's committee and group board meetings, makes for a good "checks and balances" structure. "What one is always seeking is to balance autonomy with control," he says.

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280	1241	1995	2551	3088	3693	4403	5107	5760	6919	7563	8249	9606	10794	12230	13173	14333	
324	1242	1996	2552	3090	3720	4422	5115	5761	6922	7576	8272	9615	10799	12244	13267	14353	
332	1251	1998	2555	3092	3724	4439	5116	5763	6927	7579	8287	9627	10800	12259	13269	14361	
335	1253	2001	2558	3098	3751	4441	5118	5771	6929	7583	8289	9637	11011	12262	13290	14366	
340	1254	2008	2560	3099	3755	4452	5121	5784	6931	7585	8302	9656	11018	12273	13313	14376	
342	1255	2013	2562	3107	3769	4455	5126	5788	6938	7587	8303	9690	11025	12275	13326	14379	
344	1260	2015	2586	3111	3780	4464	5128	5793	6939	7590	8319	9716	11054	12276	13329	14380	
354	1267	2017	2587	3116	3781	4470	5132	5800	6974	7614	8324	9727	11071	12284	13336	14389	
355	1268	2021	2593	3117	3782	4471	5135	5813	6988	7623	8326	9738	11164	12288	13338	14406	
356	1279	2041	2604	3119	3785	4474	5136	5829	7007	7626	8333	9741	11166	12313	13339	14411	
357	1288	2043	2606	3124	3818	4475	5140	5831	7025	7627	8334	9742	11171	12314	13343	14423	
359	1290	2044	2611	3127	3820	4476	5141	5834	7028	7635	8340	9746	11186	12315	13345	14434	
362	1297	2047	2615	3130	3830	4478	5165	5835	7029	7636	8396	9748	11187	12323	13358	14437	
365	1298	2053	2616	3136	3832	4479	5170	5840	7047	7637	8412	9750	11206	12339	13363	14441	
366	1314	2054	2619	3148	3838	4485	5172	5844	7057	7641	8418	9755	11256	12363	13392	14455	
368	1317	2055	2621	3159	3840	4487	5179	5851	7058	7644	8431	9766	11257	12367	13399	14457	
376	1318	2062	2657	3174	3844	4497	5181	5852	7060	7646	8435	9771	11260	12372	13400	14477	
377	1329	2063	2658	3177	3858	4501	5184	5854	7062	7649	8436	9778	11265	12373	13406	14479	
379	1335	2079	2661	3180	3862	4505	5218	5903	7065	7652	8441	9815	11267	12374	13415	14482	
382	1340	2090	2665	3205	3866	4510	5225	5905	7066	7654	8472	9820	11268	12375	13417	14492	
384	1344	2096	2666	3211	3869	4513	5235	5910	7078	7661	8492	9829	11271	12376	13421	14494	
406	1349	2099	2667	3224	3875	4524	5244	5912	7084	7662	8510	9830	11281	12377	13424	14498	
408	1356	2136	2690	3229	3879	4525	5271	5916	7092	7663	8553	9843	11292	12522	13431	14505	
410	1357	2137	2696	3239	3880	4526	5289	5923	7096	7665	8559	9848	11300	12523	13451	14507	
411	1362	2141	2697	3246	3884	4534	5300	5925	7099	7666	8563	9849	11314	12545	13461	14508	
412	1363	2157	2710	3247	3889	4537	5307	5927	7131	7718	8568	9864	11315	12551	13466	14510	
436	1364	2158	2711	3248	3893	4540	5310	5931	7138	7730	8569	9880	11316	12563	13468	14537	
441	1383	2172	2712	3249	3896	4558	5316	5958	7148	7732	8574	9928	11317	12590	13472	14538	
443	1395	2173	2713	3250	3910	4559	5319	5971	7155	7735	8575	9930	11327	12591	13474	14540	
477	1396	2174	2716	3262	3911	4586	5320	5973	7156	7742	8584	9945	11346	12598	13491	14561	
504	1397	2177	2723	3263	3923	4588	5321	5975	7157	7744	8590	9947	11354	12600	13493	14590	
516	1407	2188	2724	3271	3935	4594	5322	5977	7158	7750	8613	9948	11378	12611	13500	14607	
531	1410	2193	2746	3272	3940	4595	5330	5980	7171	7753	8621	9975	11483	12612	13527	14608	
548	1412	2197	2747	3281	3953	4600	5333	5986	7172	7754	8622	9976	11486	12637	13599	14612	
555	1427	2198	2748	3291	3956	4622	5334	6000	7176	7758	8624	9980	11497	12659	13601	14614	
559	1428	2214	2777	3307	3960	4624	5335	6002	7189	7760	8625	10029	11498	12743	13617	14615	
565	1440	2215	2798	3308	4004	4633	5352	6011	7191	7773	8632	10066	11500	12747	13620	14616	
567	1441	2228	2801	3321	4009	4634	5353	6012	7198	7781	8633	10070	11610	12749	13656	14617	
568	1444	2240	2804	3323	4011	4637	5362	6013	7210	7783	8643	10071	11626	12761	13660	14625	
597	1445	2250	2810	3339	4012	4654	5365	6014	7212	7784	8661	10072	11635	12770	13661	14630	
598	1456	2261	2816	3350	4014	4659	5411	6021	7214	7785	8663	10073	11638	12779	13665	14637	
624	1462	2274	2823	3351	4019	4660	5416	6040	7216	7786	8672	10074	11641	12788	13685	14641	
625	1464	2275	2826	3364	4031	4663	5417	6074	7217	7787	8676	10079	11664	12793	13688	14666	
642	1465	2283	2828	3370	4040	4672	5420	6085	7222	7794	8677	10085	11715	12803	13700	14692	
643	1472	2296	2829	3371	4044	4675	5423	6093	7226	7803	8687	10102	11727	12804	13701	14694	
644	1484	2297	2835	3372	4046	4676	5425	6096	7227	7807	8689	10138	11738	12813	13703	14697	
646	1494	2305	2856	3374	4049	4677	5428	6122	7228	7808	8723	10142	11739	12818	13705	14701	
649	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	
651	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	
663	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	
669	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	
672	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	
677	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	

OBLIGATIONS SORTIES AU 1.10.1974 ET NON ENCORE PRESENTEES AU REMBOURSEMENT.

170	1269	1946	2572	3972	4504	7094	9061	11259	12830	14044
173	1309	2081	2685	4033	4541	7098	9062	11294	13042	14046
202	1311	2095	2686	4036	4650	7223	9206	11351	13119	14101
212	1405	2101	2726	4037	4727	7446	9259	11356	13121	14255
216	1466	2199	3029	4099	4756	7660	9267	11361	13125	14257
258	1468	2206	3100	4100	4757	7709	9457	11366	13127	14258
330	1536	2220	3113	4115	4760	7893	9566	11367	13152	14261
358	1601	2222	3115	4141	4763	7933	9567	11368	13176	14265
439	1602	2224	3403	4144	4853	8131	9884	11619	13324	14295
440	1603	2225	3405	4147	5220	8193	9885	11716	13611	14394
566	1604	2276	3427	4388	5231	8200	9888	11715	13615	14458
601	1622	2294	3621	4401	5326	8285	9891	11936	13616	14469
1189	1623	2300	3625	4428	5471	8442	9892	11949	13651	14504
1190	1628	2325	3626	4429	5672	8493	9901	11950	13669	14703
1203	1657	2448	3656	4437	5765	8588	9939	12343	13731	14713
1207	1829	2454	3695	4449	5794	8647	9942	12360	13948	14836
1216	1910	2541	3808	4457	5955	8682	10438	12557	13949	14978
1219	1911	2556	3828	4472	6372	8740	10462	12606	14017	
1220	1913	2569	3894	4473	6789	8744	10491	12607	14029	
1221	1918	2570	3925	4498	6820	8786	11016	12633	14042	

OBLIGATIONS SORTIES AU 1.10.1973 ET NON ENCORE PRESENTEES AU REMBOURSEMENT.

162	2219	2770	3424	4433	4652	5592	7469	8496	12152	13947
222	2672	3400	3432	4434	4653	7097	7838	8811	12202	14238
438	2688	3401	3872	4499	4661	7389	8486	9604	12358	14305
530	2693	3402	4082	4500	5232	7444	8489	11297	13899	14306
2202	2694	3404	4426	4502						

OBLIGATIONS SORTIES AU 1.10.1972 ET NON ENCORE PRESENTEES AU REMBOURSEMENT.

2042	2078	2656	4089	5077	8490	10005	11742	11745	12744
2077	2223	2703	4698	7967	9524	10437	11744	11746	

OBLIGATIONS SORTIES AU 1.10.1971 ET NON ENCORE PRESENTEES AU REMBOURSEMENT.

10587	14717	14718	14719

L' AGENT FINANCIER

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POUR LE GRAND-DUCHE DE LUXEMBOURG

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FRIDAY, SEPTEMBER 5, 1975

Counting the real costs

IT IS PROBABLY impossible *to devise any method of company* accounting which fully meets all the conflicting requirements of the users of accounts: objectivity for the purposes of auditing, but up-to-date valuation for the purposes of realism; an account both of the monetary and of the real welfare of the company: a system which will meet the different needs of manufacturing, dealing and financial enterprises; *or a system which will* be regarded with equal favour by employees and shareholders, customers, management and Government. Certainly the report of the Sandilands Committee on Inflation Accounting will not please everyone, so perhaps the first point which should be stressed is that it offers a great advance on the existing system.

More realism

Current Cost Accounting, the system which the Committee proposes should replace the *existing system of accounts* based on historic costs, would above all improve the realism of company accounts. Stocks and capital assets would be shown at their current value to the firm, rather than at a written-down historic cost which in a period of inflation is invariably much too low. Because capital values would no longer be understated, the value of capital consumed in producing a *year's output would also be* shown at a realistic figure. Trading profits as now defined would be divided into operat*ing profits and "holding gains"* —the generally unrealised appreciation in the value of stock and work in progress. In general, such gains are neither available as cash (on the contrary, they have to be financed), nor can they wisely be distributed to shareholders or paid out as wages. *A realistic definition* of operating profit, measured against an up-to-date valuation of assets, would further provide *a much closer comparability of* accounts between companies, and thus assist the judgment of investors.

Had accounts been drawn up on this basis in recent years, companies would have been much better placed to meet the financial strains which have resulted from accelerating inflation. The need to put holding gains to reserve and to make *realistic provisions* for capital consumption (a more realistic term than "depreciation") would have given clear warning of the drastic squeeze on operating profits which was imposed by rising costs; the situation of companies like Rolls-Royce might have been *understood in time for remedial* action to be taken.

Further, Governments might well have accepted the notion that operating profit—together, perhaps, with any holding and extraordinary gains which the management thought it prudent to declare as profit and treat as a basis for distribution—was also the right basis for tax liability. Had this been so, the emergency concessions of November 1974—which had roughly the same effect, and which the Committee proposes should be rolled forward until a new basis for taxation is agreed —would never have been needed. These facts should make clear the large merits of the Committee's proposals.

Against this, the proposals have two important defects. The first and fundamental one is that what is proposed is not an *inflation accounting system at* all. While it insures that the company provides, so far as it can, to maintain its real assets, it does nothing to preserve the real value of the shareholder's interest, which is what owners would expect of an inflation accounting system. On the contrary, "gains" due purely to inflation would carry a contingent deferred tax liability.

For the same reason, the pro*posed system would do nothing* to help financial companies, whose assets do not rise in cost as a counterpart of inflation. This is essentially a system for manufacturing companies. Instead of expressing a judgement on the taxation of purely nominal and illusory gains, the Committee has passed the buck to a Royal Commission which it would like to see established. It would have made a stronger case for a commission by facing this issue. Finally, the Committee's suggestion that its system should become manda*tory in just over two years is* surely unrealistic, given the burden of valuations and preparation of indices needed. Less haste might also make it possible to devise a still better system.

Sandilands and the real industrial crisis

BY A. J. MERRETT AND ALLEN SYKES

THOSE of us who have repeatedly drawn attention *to the seriously* depressed level of profits in British industry (when measured correctly) over the last two *years of high inflation* have received powerful support from the Sandilands Committee's report on Inflation Accounting. The report comes out unequivocally in favour of realistic profit measurement (essentially replacement cost as used in our own diagnosis) *implying profound changes in* public policy as regards price control and profit levels in Government contracts, and also confirming the magnitude of the permanent changes required in corporate taxation policy along the lines temporarily introduced in the November, 1974, *Budget (essentially a rough and* ready relief for stock appreciation).

Complex subject

Accurate and acceptable definitions of corporate income are obviously critical to the financial viability of the corporate sector and to rational fiscal and economic policies. This is a complex subject even under stable economic conditions: under inflation it presents problems of immense theoretical and practical complexity—problems that have been analysed and debated by specialists for over half a century. The reaction of informed opinion to the setting up of the Sandilands Committee, with a substantial pro*portion of its 12 members* having no expert knowledge of accounting and none of them being specialists in the specific subject of inflation accounting and with no expert staff, might very naturally have been despair—despair at the notions of professional competence held by a Government which imagined that this was the way in which highly complex technical issues could be resolved, *and despair over the chances of* the Committee's ever arriving at worthwhile conclusions.

It is a tribute to the Commit*tee that, through patient and* exhaustive examination of the issues and witnesses, it has overcome the handicaps of its constitution and produced a document of considerable importance to economic policy which can and will be studied to advantage for many years hence.

Perhaps the most significant point to make is that the Committee, despite considering a mass of evidence, much of it contradictory, is *unanimous* in its recommendations. Its members made every effort to be *unanimous to avoid prolonging* the divisions of opinion over inflation accounting. After so thorough an investigation, that encompassed all views and the experiences of many countries (notably Holland, Brazil and the U.S.) the time has surely come to accept the findings and implement the main recommendations with minimum delay.

But to deal first with the report's few shortcomings, the *principal one is its lack of sufficiently firm theoretical founda*tion for its proposals and its unnecessary recourse to assertion rather than empirical demonstration. Second, there is no calculation of what the profitability of U.K. companies actually is under this definition, *although some indication* for 1972 and 1973 was given in these columns on September 1.

The heart of the Committee's report is the concept which it designates "current cost profit." This is the profit for the year "regarded as any gains arising during the year which may be *distributed after charging for* the 'value' of the company's assets consumed during the year." Since the "value" of assets to the company is "given by their current purchase price," this definition of profit is nearly always the same as current replacement cost for which we have consistently argued.

The conceptual grounds on which the committee arrived at *this conclusion (after examining four other profit concepts)* are stated somewhat obliquely but appear to be primarily pragmatic and relate to the issue of "holding" gains. The latter are "the difference between the value to a company of an asset at any point of time and the original cost." The argument which we would put forward is that, under inflation, companies, unless they are prepared to *wind themselves down into dis*solution, are obliged each year to pay out monies simply to increase the *value* of an unchanged volume of their stock and fixed assets, and often see increases in the "value" of their other assets such as land, offices and factories. In the simplest case, the smallest garage owner under rising petrol prices has to invest *more* money to replenish his tanks with the *same volume of petrol.*

Critical issue

The critical issue of inflation accounting is simply whether or not money paid out to finance an unchanged volume of petrol should be deducted from revenue as a current cost when arriving at profits, or looked upon as an investment no more to be deducted from profits than expenditure to extend the forecourt. The answer to this turns upon whether there are general grounds for supposing that the proprietor will enjoy *increased* benefits (compared with those obtained hitherto) from this additional expenditure increasing the value of his assets. Under stable petrol prices, the fact that investment in a larger *volume* of petrol would have been purely optional would have been evidence that the expenditure was regarded as likely to produce such a benefit. This obviously does not hold when the expenditure is necessitated by increased petrol prices and where the only practicable alternative would be to reduce the size of the business, perhaps to an uneconomic level. (This, or the breaking up the business to realise its full supposed asset value, can generally be ruled out as unrealistic. For industry in aggregate it can obviously be ruled out altogether).

If, in the very unlikely situation, the garage proprietor had a permanent cost-plus return on capital contract with his customers—a contract which would be honoured in all circumstances—the answer would be that the additional investment to increase the value of the stocks was just like any other investment under stable prices and would produce correspondingly higher receipts from the customers.

In reality, of course, inflation, after a short-lived boom, tends to generate a fall in real activity and recession, and for *every* business to have such a cost-plus contract is obvious nonsense. Inflation will also have many other side effects, such as price control, increasing interest *rates, etc., all of which tend to* depress real corporate profitability. Indeed, if this were not so and cost-plus conditions prevailed, it would be a matter of rejoicing in an industry whenever it experienced a massive upsurge in its cost of raw materials or fixed assets since all this would simply provide a painless opportunity to invest more money at the same rate of profit as hitherto.

It should hardly need saying, especially to anyone familiar with the industrial scene over the last few years, that in manu*facturing industry the announce*ment of a need to "invest" yet more money to finance replacement of assets under yet more inflation would be greeted with unqualified dismay by both management and shareholders.

The report seems broadly (though less explicitly) to conclude on these grounds that such holding "gains" should not be counted as profit until and if they are finally realised (that is when the garage owner *runs* down his stock of petrol, so turning it into cash). In other words, the "investment" required to finance inflation should be treated as a current cost; and "gains" brought into the profit and loss account only when and if they finally materialise as cash available to shareholders.

It is to be regretted that, while the report clearly recommends that no account should *be taken of holding "gains" for* all significant purposes (that is tax, price controls, wage and salary negotiations, etc.), it does not altogether successfully dispense with the inflammatory concept of "gain" by finding some more neutral term. The designation "gain" already pre-supposes facts not in evidence—namely that, *contrary to* all common experience, industrial companies, in some *un*specified way at some unspecified time, gain from an increase in the cost of their raw materials and assets.

With considerable decisiveness, the report rejects the Current Purchasing Power method recommended by the Accounting Standards Steering Committee of the combined *Accounting Institutes.* The three arguments against CPP are:

(i) It does not give rise to "current cost" profit;

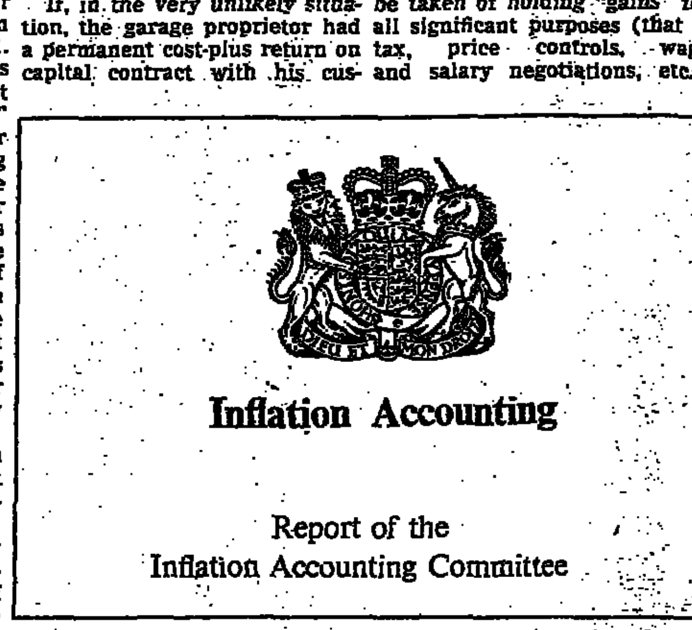
(ii) It involves monetary gains which are illusory in terms of cash benefits; and

(iii) It is of no practical usefulness to shareholders.

The report, however, properly commends the accounting profession in its exploration of the important issues of inflation accounting. In its call for a steering group to implement its proposals by June 30, 1977, the Committee relies heavily on the *support and co-operation of the* accounting profession to resolve the many points of detail.

The CPP method takes historic cost accounting as appropriately meaningful under inflation save for the single fact that the purchasing power of money, as measured by the Retail Price Index, is changing. Hence, if the RPI were constant, but a particular industry was being ravaged by particular inflation the replacement of its raw *materials or capital equipment,* no adjustment would take place to its accounts. The Sandilands report argues (as we have done *consistently*) that adjustment for inflation must allow for the *particular* rates of inflation of *particular* industries.

The report, like the majority of the business community rejects the CPP method in its entirety. The major difficulty for accountants in this matter has been that it would involve their abandoning historic cost accounting since profits would would need to be adjusted for the particular rates of inflation of the company even where no general inflation was present.



Taxation and price control

The report recommends that its definition of profitability should become the underlying basis for taxation and price control. As regards taxation, *the recommendations would* probably make little difference in orders of magnitude to the continuation of free depreciation for fixed assets and the November, 1974, stop-gap measures for stock relief.

As regards price control, the effect would again probably not be dramatic at present, when most companies are constrained by market forces. It would, however, be of great long term *importance if companies could* either be relieved from such control or have it modified to the Sandilands basis and thus *see the prospect of greater real* profit when expansionary conditions return. This may well be an essential prerequisite to greater industrial confidence and investment.

One question raised by the publication of the report is what the financial community—and in particular accountants and shareholders—will conclude from it. The Society of Investment Analysts (a not wholly *unanimous body) told the Com*mittee that it was profits broadly as the Committee has now defined them which were most relevant to the interests of shareholders. There is some ambiguity in the Society's evidence, but it may well be that it intended that shares should be represented in terms of price/earnings ratios, using the profits as redefined by the Committee. As was outlined in Monday's article, the profitability of British industry is so appallingly low on this basis that it would present investment *in U.K. companies in a most* depressing light.

It may be argued that the Stock Market has already fore*seen and* discounted the illusory effects of inflation on reported profits. Such a conclusion, however, would require belief in second sight since there are few companies, even with their total access to the information, which could readily state their profits might be o[n] Sandilands basis.

If the findings of the [Com]mittee are accepted by t[he in]vestment community, [this] would have some sign[ificant] implications. The first [and] simplest would be that, [a] continuation of recent trends (on the Sand[ilands] basis), and at anything [like] the levels of inflation e[xperi]enced in recent years, the [level] of the Stock Market and, h[ence] the level of investment b[y] companies has largely [been] unjustified.

Second, there would [be a] clear case for U.K. com[panies] giving every priority to e[xpand]ing abroad, where real [profit]ability was high, rather [than] expanding in the U.K. [If,] on the Sandilands basis, [profits have] been largely illusory, [a] substantial amelioration [of] recent trends in cor[porate] profitability is, accordin[gly, a] necessary condition fo[r the] "regeneration" of I[British] industry.

Third, there is a ca[se for] scrapping price control [com]pletely, since the re[ference] point on which it op[erated] (namely, historical cost with five years to 1972 [as the] norm) was wholly miscon[ceived] and indeed very se[riously] damaging in its earlier [phases] and in its impact on the [long-]term future outlook for p[rofits].

Conventional wisdom

All the above conclusion[s may] prove repugnant to a S[ocialist] *Government, some of* [whose] members would like to [think] that industry is an inde[struct]ible golden goose. The[re is,] therefore, a danger th[at the] Government will do nothi[ng and] simply hope that the C[ommit]tee's recommendations [will] prove to be such a subj[ect of] technical disputation or [in]capable of influencing th[e con]ventional wisdom of the [Stock] Market as to have no pr[actical] effect.

Such an attitude wou[ld be] most regrettable. For if [profit]ability, adequately defin[ed, is] the motivating power [of the] private enterprise system [it is] an obligation of respo[nsible] government to permit [that] motivating power to oper[ate, or] alternatively, to propos[e a] replacement of the system.

The report has made a [major] contribution and it would [be a] matter for grave appreh[ension] if there was now a fail[ure to] build upon its findings. I[f] accepted (as with some reservations it should [be], urgent priority should [there]fore be given to incorpo[rating] its findings into price c[ontrol,] *Government contracts* [and] economic policy.

A. J. Merrett is Profe[ssor of] Corporate Finance at London Graduate Bu[siness] School. Allen Sykes is [with] P. and O. Energy Ltd.

Reflation package in France

IF THE KEYNOTE of the German reflationary package introduced last week was fear of inflation, that of the much larger French programme announced yesterday was fear of unemployment. As a result of the deflationary measures introduced in the wake of the quadrupling of oil prices, the *French government has man*aged to bring down the rate of inflation sharply, and while it is still not as low as the German rate, the most recent figures suggest that it is running at less than 10 per cent. But the cost of this achievement has been a sharp downward revision in the government's highly optimistic forecasts for economic growth this year, and a steep increase in the level of unemployment.

Already there are some 900,000 out of work, and the number is expected to swell in the very near future to 1.2m. as this summer's school-leavers attempt to join the labour force. The impact on employment of what is now expected to be a negative growth rate for 1975 — output might be 2 per cent. down compared with last year — has been magnified by a steep increase in company bankruptcies and by the difficulties of such nationally known concerns as the Boussac textile group. The trades unions are now demanding an "employment summit" to discuss ways of alleviating the situation by such technical but expensive devices as a reduction in the *working week, and it is partly* in anticipation of political difficulties on the labour front that the government has launched such a large reflationary programme.

It may be doubted whether at this level of unemployment the unions would really have *the stomach for a fight with* the government, despite the fact that the autumn is a traditional time for labour conflicts. The primary explanations for the scale of the government package may therefore be that memories of the events of May 1968 are still relatively fresh, and that a negative growth rate must be anathema to a President (and ex-Finance Minister) whose aim has long been to challenge Germany as the most powerful economy in Europe.

Amidst all the uncertainties over the outlook for the rest of the world economy, the French strategy is not without its risks. The German government took the austere view that there was no future in trying to compensate domestically for a continuing shortfall in demand in its major export markets, and limited its latest reflationary package (the fourth in 18 months) to some £1bn. The French government has taken the opposite view and is *trying to compensate for what* it regards as the meagreness of the German effort with a package which is substantially bigger.

Main danger

The main danger, of course, is that, while the government *has tried to include relatively* fast-acting measures, the main impact will tend to be felt when the recovery elsewhere has become more pronounced. At the same time, the rise in unemployment has failed to prevent a sharp increase in industrial wage rates—the latest quarterly figures *suggest* an annual rate of nearly 20 per cent. a year—so that there is some cause for concern lest the reflationary package trigger off *another upward* surge in the rate of inflation.

Yet despite this danger, and despite the differences between Paris and Bonn in their approach to the dilemma over inflation and unemployment, they are both in the fortunate position compared with Britain *of having taken deflationary* measures in the early months of the oil crisis which now give them a choice. The U.K. can only be thankful that both of them have, in different measure, decided to reflate.

MEN AND MATTERS

Bamberg flies on

"He's had his adventures—but he knows his business." declares Philip Dunkley, managing director of the Mitchell Cotts trading and manufacturing group. The adventurer in question is Harold Bamberg, once head of the British Eagle airline which *folded seven years ago: these* days he concentrates much of his time on an air freighting operation for Mitchell Cotts.

It is an activity, relatively new to the group, about which Dunkley is enthusiastic. A start was made only five years ago with the acquisition of the flamboyantly-named Corrigans Express company in Australia which has grown into the country's biggest freight for*warder. Eighteen months ago,* Miller Weedon Air Freight in South Africa was added, and finally, at a price of £444,000, Wisk Air Cargo. The three are producing, Dunkley reckons, annual profits of over £600,000.

Wisk is part of Bamberg's present interests, the rest being *represented* by Eagle Air Services, the U.K. distributor for the American-built Beechcraft aircraft and not part of Mitchell. Now, Bamberg is going on the Board of the Mitchell Cotts International Airfreight subsidiary, which will extend his influence to the *Australian and South African* companies.

Bamberg's civil aviation career began in Berlin airlift days with a somewhat decrepit Halifax bomber bought for £150. His Eagle Airways was sold to Cunard Steam-Ship in 1960: three years later, Bam*berg, something of a Freddie* Laker figure with his campaigns for low fares, bought back a 60 per cent. stake.

By 1966, total profits were over half a million, but financial difficulties (apart from devaluation and the £50 travel allowance the airline lost the Government trooping and Australian migrant contracts) *led to an abrupt shut-down in* November 1968. That left 25 aircraft and 2,500 staff redundant, and debts of *£6.5m.*

As with Wisk and Eagle Air Services to-day, Bamberg was fond of running businesses in tandem: apart from the original British Eagle, he had the Travel Trust group, sold in its turn to S. G. Warburg, the City merchant bank. Unbowed by the British Eagle *failure, Bamberg was keen to* get back into air service operations, preferably on a domestic scale.

Dunkley is *pleased* to have the benefits of Bamberg's "terrific lot of contacts," but says he has been adamant on one point. Though Bamberg has suggested it should consider buying planes. Mitchell Cotts thinks freighting is more likely to grow profitably by relying on chartering.

Fight politely

Shareholders can be exceedingly unsympathetic to campaigners who choose the forum of a company's annual meeting to further arguments on social policy. Michael Daube, executive director of Action on Smoking and Health (ASH), yesterday defined a sensible way *to get a polite hearing: "Part* of the intention is not to be desperately aggressive. A few significant questions . . . in this way one is taken more seriously than by waving banners."

Following the latest officially-encouraged moves against smoking (more restricted *advertising and then, within a* week, tobacco makers agreeing that packs should carry the tar yield) the first of the big three British cigarette companies to hold an AGM was Rothmans International.

Daube and the company's retiring chairman, Lord Pritchard, fenced decorously through a list of questions, though the 27-*year-old ASH man (formerly* with Shelter) was less restrained afterwards. He had asked whether Rothmans would be using the requested Government warning "Danger: cigarettes cause lung cancer, heart disease, bronchitis."

"I think it's deplorable," said Daube, "that Lord Pritchard simply said the tobacco industry was in discussion about this, without giving a specific reply." *He saw some light, though,* in what he detected as a stronger interest in diversification.

From driving to drink

It seems to be an even chance that top management changes in industry at the moment will owe something to Ryder-disturbed British Leyland. Not that Allen Sheppard, who is shifting out of BL to become chief executive of *Watney Mann and Truman* Brewers, is in any sense a casualty: as a result of Ryder, his managing directorship of the parts and knock-down division was expanded to cover after-sales service and component manufacturing.

However, at 42, an approach *from Grand Metropolitan's* Watney Truman side made him think about the next ten years. As he says politely, the next decade in the motor industry is likely to be a "bit static."

His appointment is a surprise. Overall charge of Watney and Truman rests with Stanley Grinstead, *Grand Met joint managing* director, and Sheppard's responsibility will be the production, distribution, marketing and sales areas, *which* leaves out retailing. All the more unlikely then, that with 57-year-old Simon Threadgill retiring early through ill-health, Grand Met should have gone outside for what is primarily a brewing job. *The best clue to the decision is* probably Sheppard's observation that "I can't be accused of being either a Watney or a Truman man."

There is no doubt that following the titanic takeover battle for Watney, morale in Grand Met's drink subsidiaries sagged. Recovery has been evident this year, and brewing and distribution was the group's star turn with a 64 per cent. increase in first-half profits. Watney has been a particular target of the Real Ale campaigners, and as I noted on Wednesday, the *company has gone as far in its* fight-back as introducing real beer in six of its London pubs.

Sheppard has done the rounds of the car makers, starting *in* 1958 with Ford of Britain, eventually rising to be marketing and products manager based in Cologne. He was with Chrysler's U.K. group between 1968 and 1971, joining BL as marketing director in the international division.

Sheppard does not share any prevailing anti-Ryder feelings. The plan is working, he says, and he went through an "agonising appraisal" whether to go. Since the new job came up, he is now paying to pubs the sort of attention he used to reserve for motor dealers.

I am not sure, however, the brewers will approve when they learn he is a "wine drinker rather than a beer drinker."

Fated

An American company which *makes a range of* rainwear called London Fog, sponsored a baseball team in Baltimore. The first six games were rained out.

Observer

هكذا من الأصل

هكذا من الأصل

Foreign cars took a record share of the U.K. market in August despite special offers by British manufacturers. **Peter Foster reports**

Behind the glitter of car incentives

IT IS perhaps more than ironic that the marketing incentives offered by British Leyland and Chrysler seem to have reached a peak at a time when car importers have gained their highest-ever penetration of the U.K. market. The irony is compounded by the fact that the four largest importers—Datsun, Renault, Fiat and Volkswagen—are offering very few customer incentives, with Datsun, indeed, in the enviable position of having to turn prospective buyers away because of the almost embarrassing degree of its success.

British Leyland points out that current attempts to draw the public into its showrooms and to encourage dealers to engage in all-important marginal trading through the "Superdeal" campaign are no part of its long-term marketing strategy but represent short term "tactics" to defend the U.K. car market against further ravages by the importers. Continuing the analogy, one might well ask how far British Leyland may be winning the battle but losing the war. Judging from the success of the importers last month, one might indeed ask whether BL is even winning the battle.

Certainly there is no unanimity among U.K. manufacturers about how best to deal with the foreign invasion. Mr. Terry Beckett, managing director of Ford U.K., has spoken scathingly of the bout of "giveaway fever" sweeping the country, although his company's approach to the problem—through the absorption of manufacturing cost increases and the introduction of a new model on which both Ford and its dealers take lower profits—only represents another version of the old theme of trimming margins to keep volume going.

New car registrations last year totalled 1.27m. after two boom years when they hovered around the 1.7m. mark. This year, it is estimated, they will be around 1.14m. and next year they are projected to fall even closer to the 1m. level. To understand the success of the importers it is important to remember that the car market has two distinct parts, fleet business and private retail sales, and that the former, which is almost entirely supplied by the U.K. manufacturers, has been worse hit by the current recession.

Fleet sales of "basic" models have traditionally provided the bread-and-butter business of the British car producers. But the economic recession and cash flow shortages of the last year or so have left more and more companies unable to renew their fleets. Private sales, on the other hand and to the surprise of many, have held up better and it is here that higher specification foreign cars have gained such a strong hold.

Incentives

The fact that their success continues despite the glittering array of incentives offered by some U.K. car companies inevitably raises the question how far it is sensible for the manufacturer to give away his own profits, or "persuade" his dealers to give away theirs, in order to attract customers. It also raises the question of just how attractive the incentives are.

Chrysler dealers, for example, are running no less than five promotions at the moment, excluding the Summer Supersave scheme—under which buyers received a cheque from the company of between £60 and £80 after buying certain models—which has now finished. These consist of "Spectacular Spinoff," where the dealer gets a financial incentive for exceeding target sales; "Knockout," where a dealer receives a cash payment for all September sales, and a special arrangement on the 180 (itself an imported model), where he once again gets a flat rebate on all sales. Directly aimed at the customer are the low-cost credit scheme, offering hire purchase at 9½ per cent., and £75-worth of petrol for each buyer of an Imp.

However, the three "schemes" for dealers are not quite as generous as they seem since all are conditional on the replacement of stock. This is not much use when dealers are heavily stocked already, which seems to be strongly indicated by Chrysler's announcement this week of short time working throughout its U.K. operation until the end of October. Indeed, the psychological damage which this announcement could do may outweigh the drawing power of its marketing incentives.

British Leyland's "Superdeal" has deliberately been presented to the public in a more nebulous form. In television and Press advertising, buyers have been promised large cash savings on most British Leyland cars. In practice, however, whether a purchaser gets a superdeal or not depends very much on the type of car which he has to trade-in.

Rebates

The dealer receives a large cash rebate from British Leyland for taking a Japanese or East European car in part exchange, a smaller rebate for taking any other European car and little or no rebate on British cars (including traded in BL vehicles). However, he also receives a cash handout for all sales in excess of his "target" for the two Superdeal months of August and September.

A similar "target" scheme was launched by the company at the beginning of the year with a spectacular effect on sales in February, when British Leyland took around 40 per cent. of the market and gained the first three places in the league table of best-selling models. However, what this scheme also did was to bring forward sales, as it is likely to do in the current month, with a subsequent dip in registrations. This situation is likely to be aggravated by the fact that many BL dealers are reported to be short of supplies.

Trevor Humphries

A London showroom displays British Leyland's "Superdeal" offer: whether or not a purchaser gets a superdeal depends very much on the type of car he has to trade in.

Mr. Keith Hopkins, marketing director of British Leyland's car division, claims that he cannot reveal incentives because this might "be misleading to customers." Some might regard the fact that no details are given as leaving them in the dark. Nevertheless, Mr. Hopkins claims that showroom traffic has increased by 60 per cent. since Superdeal was launched, although the company's 28.7 per cent. share of the market last month seems to suggest that most of this represented window shopping.

Pressure

Many dealers and distributors for British cars are finding themselves cast as the meat in the sandwich, between pressure from manufacturers to get volume moving and the reluctance of buyers to buy at all, let alone "search their consciences" in Mr. Peter Shore's phrase, and buy British. As with Chrysler's "dealer incentives," British Leyland dealers have to use their own cash initially if they want to give customers a truly superdeal since the company will not pay the rebates until all the sales figures for August and September are in. On the other hand the dealer is under no obligation to give anything away and can, if he wants, take the whole cash rebate for himself. On balance, dealers, except for those who are short of supplies, are grateful for national advertising since it brings people into the showrooms. The rest is up to their own selling skills.

Dealers have a certain amount of flexibility in the package of incentives which they offer a customer. One which has gained almost universal popularity over the last year or so is so-called "cheap-rate" hire purchase. A key factor in the collapse of the car market last year was the statutory introduction, in December, 1973, of a one-third deposit on car hire purchase. The result was higher purchase sales fell by 40 per cent. in 1974 compared with a 25 per cent. fall in the market as a whole. Although manufacturers could do little about the impact of the deposit—with the exception of Chrysler, who offered a cash rebate—all saw that they had to make HP sales more attractive.

Datsun was the first company to introduce cheap hire purchase rates more than a year ago when it offered a flat 8¼ per cent., thus "saving" the customer around an average of around £140 on a normal two year contract. At the beginning of March Chrysler, Vauxhall and British Leyland all made aggressive moves on the hire purchase front, with Chrysler at one stage offering a flat rate as low as 7¾ per cent.

However, somebody has to pay for the cheap rate, and it can be the customer if he is getting a cheaper rate on a relatively high retail price. The usual practice is for the dealer to subsidise the rate by forgoing the commission which he receives from the finance house, but it is not unusual for a manufacturer to contribute through a finance subsidiary, which amounts to a further discount.

Three of the top four importers are now offering cheap hire purchase schemes. The odd man out is Renault, which has left the question of low-rate hire purchase entirely to its dealers.

The fundamental problem, as many U.K. car salesmen frankly admit, is that British manufacturers are increasingly not offering the product which the public wants. Ford, for example, has emphasised that it is attempting to hit importers where it hurts most—in offering better value for money at the bottom end of the market—with its new Popular. But the fact that the company openly admits that lower margins are being accepted both by the company itself and by its dealers shows the price being paid for such a bid. And there is also the danger that the Popular may merely take sales from the higher priced and higher-margin Escort.

The marketing "war" for car sales in the U.K. is unlikely to lead to the sort of contraction of outlets seen in petrol retailing—although it must be borne in mind that in many cases the two activities overlap—because the two largest dealer networks, those of Ford and British Leyland, have already been "rationalised," while British manufacturers are also sensitive to the possibility of losing more outlets to the importers. Nevertheless, some will be forced to the wall.

The conventional wisdom which told us that foreign penetration of the U.K. car market was merely the residual effect of the inability of British manufacturers to meet demand has been well and truly shattered over the last couple of years. What the importers offer, in the eyes of an increasingly large section of the public, is not only availability, but quality and reliability, and that is all the marketing they need.

Letters to the Editor

The cost of gold

From Professor C. A. W. Manning

Sir,—The establishing of the official price of gold at an artificially depressed level, throughout the 'forties, 'fifties and 'sixties had one necessary, if regrettable, effect. It meant that the migrant mine-workers, and black labour in general, in that country, South Africa, whose principal export was gold, were held down to a remuneration level that was correspondingly low. The continuing availability, even so, of labour in sufficient abundance was symptomatic of the conditions obtaining in the countries from which the workers came.

Exploitation, and the fruits of it, are emotive ideas, and one may prefer to avoid them. But it is easy to see by whose poorly requited toil and sweat that surplus, wealth was, in part created of which the IMF is now in the position to dispose.

It is difficult to believe that the special position, not to say the special claims, of the peoples particularly in question—those of Malawi, for instance, and Lesotho—will not now—in the apportionment, for example, of funds for new investment and the creation of new job-opportunities—be rather specifically borne in mind.

Yes, this is difficult to believe. Would that it were impossible.

C. A. W. Manning.
... Neuton Road,
London, W.2.

Paper promises

From Mr. J. Winder

Sir,—So, with the Gold Agreement, the world's leading industrial nations have succumbed to U.S. pressure again, very much to the detriment of the smooth flow of world trade.

The world-wide acceptance of paper currencies only as a satisfactory settlement of international debts, without anything considered valuable guaranteed in exchange for them as and when desired, would soon have world affairs in a worse state than now. For who would know how excessively some printing presses would be working?

No definite value could be placed on any currency in the world (it cannot now), so that estimating for work to be done for other nations—e.g., ships, or other constructional work—would be an exercise in bewilderment. Fixing a definite "true value" of any paper currency in relation to any other would equally emulate the chemists' attempt to transmute other metals into gold. And have not sufficient banking and other firms sustained sufficient losses in the foreign exchange business to feel their fingers—and pockets—burning?

One of the absolute needs for a steady world trade to be sustained, and a basis for helping the more unfortunate nations provided, is for every paper currency to have the same valuable backing as all others, whatever the backing may be, until such time, better sooner than later, as the only sensible currency emerges—i.e., an international currency.

International payments would then be child's play. At the same time, as the most widely acceptable backing for currencies, gold does not, at $42.22 an ounce, cover nearly enough paper currencies; selling gold from monetary stocks merely weakens the currencies involved. The method by which profit should be raised to provide help for poorer nations is to raise the price of monetary gold to the point at which all currencies would be more adequately covered, and further paper could be printed to help the poorer nations.

John Winder.
27, Chapel Street,
Ulverston, Cumbria.

Commodity agreements

From Mr. D. J. Kidd

Sir,—There are two questions concerning the relation between the West and Third World countries that should be separated. The prior one is whether the Western nations have a responsibility for the destiny of these countries; the secondary one is, given they have such responsibilities, what measures are effective for discharging them?

I make this point because there is an undertone in Mr. M. P. Cracknell's letter (September 2) suggesting that fundamental criticism of commodity arrangements and similar devices on the ground they are unintelligent and perversely acting is morally remiss. In fact, the more conscientiously the West takes its responsibilities, the less content it will rest in acquiescing in the economic superstitions and gimcrack theories that not only despoil poor countries of the chance of development but have made our own country eligible for membership in the Third World.

D. J. Kidd.
41, Whittington Road,
London, N.22.

Forecasting errors

From the Director, The Henley Centre for Forecasting

Sir,—We would like to support Mr. G. D. N. Worswick, Director of the National Institute for Economic and Social Research in his comments (September 1) on Mr. Anthony Harris's observations on the forecasting industry.

It is all too easy to pull a bad forecast out of the hat and to condemn forecasting as a whole. For example, we now publish more than 90,000 forecast figures a year in our five regular forecasting services, running five years ahead. This figure does not include a large number of unpublished series which support the published results. In such a host of numbers it is always possible to find a substantial error as well as a forecast exactly fulfilled.

Yet the professional forecaster knows that it is a fluke for a forecast to be exactly fulfilled. The test is, of course, to be more right than wrong and for the average forecasting error to be such as not to invalidate the advice contained in the forecasts.

There are important problems in assessing forecast results. The NIESR, for example, publishes forecasts on the basis of assumed unchanged government policies. Yet since policies are constantly adjusted it is difficult to measure whether the Institute's forecasts would have accorded with the outcome. It is easier to judge our own forecasts since to provide successful business forecasts it is necessary to state the assumed changes in policy on which the forecasts are based.

Secondly, what is the outcome? The official statistics are revised so heavily that there are often doubts about what happened in the real world. We "amend" the official statistics quite substantially in order to establish a base on which to forecast. How then should we all be judged? On dubious first official guesses at what has happened in the economy, or some other set of yardsticks?

Finally, the test is in the application of forecasts. All decisions depend on a view of the future, whether formalised or not. Many firms plan five years ahead and an increasing number 10 years ahead. A scientific approach to forecasting has, therefore, become essential. This is an infant branch of learning and it is quite clear we have much to do to improve the art and develop the science.

James Morrell.
27, St. John's Square,
London, E.C.1.

Teacups in a storm

From the Director, British Ceramic Manufacturers Association.

Sir,—The last paragraph of Mr. Smedley's letter (September 1) infers that British pottery manufacturers are unable to compete with those of other countries. Presumably he believes that this is the reason why they have complained of the action of the Commons Catering Committee in awarding a contract for replacement of their tableware to a foreign company.

Without wishing to prolong Press comment on this incomprehensible situation, it is right that Mr. Smedley and others who have recently inferred the industry's inability should understand that we are seeking the answers to several questions regarding this contract. The primary and most important one is why British industry was not given the opportunity to prove conclusively—as it knows it would have done—its ability to provide ware of the highest quality promptly and service it efficiently at a price well below that paid to the foreign producer. No opportunity was given for a quotation nor was any indication given, as far as I can establish, that the Commons Catering Committee intended to completely replace its tableware services.

This, the industry feels is a serious matter which demands answers from those responsible, and it is grateful for the wide support it is receiving from Members of Parliament on this important issue.

Sam H. Jerrett.
Federation House,
Station Road,
Stoke-on-Trent.

Accounting standards

From Mr. Tom Climo.

Sir,—It is a pity that Mr. P. R. Pennington Legh (September 2) did not understand the information model adopted by the Accounting Standards Steering Committee before criticising certain passages in *The Corporate Report*. The quite acceptable thesis put forward by the ASSC (and the American Accounting Association before it in 1966) is that information must be geared to the potential expected use of the receivers. This obviously individuates information to the objectives and decisions of specified interested parties.

In this context, one can envisage the six various accounting bases he cites as each being useful in different ways. Where *The Report* lets us down is in not carrying this model to its logical end: separable reports for separable interest groups. Mr. Pennington Legh seems to want unified information without demanding that it satisfy the foremost requirement of information, namely that it be useful to the decisions to be made.

Tom Climo,
Lecturer in Accounting.
Keynes College,
The University,
Canterbury, Kent.

Postal prices

From the Post Office's Deputy Director, Public Relations

Sir,—Mr. S. G. Fletcher (September 3) is wrong when he suggests that the cost of agency services provided by local post offices are "loaded into the price of postage stamps." They are not.

When Mr. Fletcher buys a postage stamp, he is paying to have his mail delivered. Agency services, such as the payment of old age pensions, etc., are not part of this cost. In fact, the Post Office made a profit of £4.6m. last year on the many valuable services available from its 23,660 post offices.

Peter H. Young.
23, Howland Street,
London, W.1.

Proxy cards

From Mr. J. A. Vallintine.

Sir,—Mr. Penwill (September 3) can hardly have the best interests of those companies of which he is a shareholder at heart.

The business reply service is an expensive operation attracting a fee in addition to the postage on each item. It has always been a source of irritation to me that companies should waste their money and, *ipso facto*, that of the shareholders in this way.

Individuals should be able to afford a stamp. Where, as in some cases, the result of a ballot is a foregone conclusion, it strikes me as ridiculous to waste anyone's money in returning the proxy.

Mrs. Penwill's "solution" of leaving the cards unstamped; causing a double charge to the company, plus his attitude of voting against all the resolutions, leave me frankly rather aghast.

J. A. Vallintine.
36, Wendover Court,
Chiltern Street,
W.1.

Fly now, pay more later

From Mr. S. B. Shah.

Sir,—Where a Barclaycard is used for the purchase of foreign airline tickets expressed in sterling prices in the U.K., the eventual charge to the account is usually higher than the fare in sterling.

I purchased a foreign airline ticket to Düsseldorf and signed the voucher for £43.20 but was debited by Barclaycard with £46.00. It was explained by Barclaycard that the foreign airlines converted the sterling vouchers into dollars and then reconverted these into sterling, with the difference of £2.80, which is more than 5 per cent. representing the foreign currency charges. I was lucky to have scrutinised my Barclaycard statement and used an airline which refunded the difference on claim. I understand that some of the very large airlines do not refund the conversion difference.

I feel that the airlines and Barclaycard should make customers aware that the use of credit cards can cost well above the normal fare.

S. B. Shah.
97, Brim Hill,
Hampstead Garden Suburb, N.2.

To-day's Events

GENERAL

European Socialist leaders meeting Mr. Harold Wilson at 10, Downing Street to discuss Portuguese crisis.

Inter-Parliamentary Conference continues at Royal Festival Hall.

Mr. Peter Shore, Secretary for Trade, leaves to visit Hong Kong, Korea, Japan and Russia.

TUC annual conference at Blackpool ends to-day.

World Bank and International Monetary Fund meetings conclude in Washington.

International Air Transport Association traffic conference continues in Geneva.

Polish trade talks continue in London.

United Nations sixth special session on "new international economic order" continues in New York.

COMPANY RESULTS

Blackwood Morton and Sons (Hldgs.) (full-year).
Bowater Corporation (half-year).
Matthews Wrightson Holdings (half-year).

COMPANY MEETINGS

Associated Leisure, The Tavern, Lord's Cricket Ground, N.W., 12.
Brown Boveri Kent, Connaught Rooms, W.C., 12.
Davenport Knitwear, Leicester, 11.
General Electric, Instn. of Electl. Engngs., Savoy Place, W.C., 12.
Inchcape, 14, St. Mary Axe, E.C., 12.15.
Ingram (Harold), 10, Berners Street, W., 11.30.
London Sumatra Plantations, 1, Gt. Tower Street, E.C., 11.
Marryat, Churchill Hotel, Portman Square, W., 12.
Peldayne, Birmingham, 11.30.
Pilkington, St. Helens, 2.30.
Property Investment and Finance, 111, Park Lane, W., 12.30.

EXHIBITIONS

Business and Light Aviation Show, Cranfield, Beds.
Handicrafts and Do-It-Yourself, Olympia.

BALLET

London Festival Ballet, New Victoria Theatre, S.W.1.—Coppelia, 7.30 p.m.

MUSIC

City of Birmingham Symphony Orchestra, conductor Louis Fremaux, Jill Gomez (soprano). Ravel—Alborado del. (gracioso); Bizet—Symphony in C; John McCabe—Notturni ed Alba; and Saint-Saens—Symphony No. 3 in C minor, Royal Albert Hall, 7.30 p.m.

COMPANY NEWS + COMMENT

BET in line with forecast at £37.7m.

PROFIT, Before tax and extraordinary items, of the British Electric Traction group, fell to £37.75m. for the year to March 31, 1975, from £45.92m. in the previous year, in line with the January forecast.

The directors said then that, due mainly to an expected profit reduction at Boulton and Paul, and losses suffered by Murphy Bros., results were not expected to be materially different from those for 1972-73 when profits (adjusted on the basis that Thames TV was a subsidiary throughout that year) were £37.75m.

Stated earnings per 25p Deferred Ordinary share, before the extraordinary items, were 8.3p against 12.2p. The net dividend total is again 4.247p, the final being 2.847p.

In accordance with a standard accounting requirement, extraordinary items have this year been dealt with in the P. and L. account and not, as previously, through reserves. The items—debits of £492,101, against credits of £2.19m.—comprise loss on sale and repurchase of shares of an associate £6.02m (nil), credit on revaluation of associate investment to share of net asset value £6.01m. (nil), exchange adjustment debit £683,654 (credit £420,143), losses on asset sales £271,651 (profits £382,795), net surplus on property disposals £404,977 (£5.18m.), deferred tax nil (£4.11m.) and sundry credits £67,441 (£313,596). They are net of tax and minority interests where applicable.

Results are compared in the table—investment income and turnover of associated are not included in the group turnover figures.

	1974-75 £	1973-74 £
Turnover	378,623,238	309,146,081
Trading profit	41,171,774	48,794,182
Invest. income	4,879,638	2,931,198
Assocd. companies	2,459,909	2,005,025
Total	48,567,323	51,730,405
Interest payable	10,815,765	5,811,662
Profit before tax	37,752,258	45,918,742
Taxation	21,202,143	22,711,273
Net profit	16,549,715	23,207,469
Minorities	4,684,641	5,887,172
Balance	11,865,074	17,320,297
Extraord. items	492,101	2,189,694
Attributable	11,392,973	19,509,991
Pref. and Prefd. Ord. dividends	114,184	114,184
Defd Ord. divs.	6,011,304	6,011,304
Retained	5,267,485	13,384,503

● comment

BET's annual figures are exactly as forecast at the interim stage. The final count shows turnover up 22 per cent. on the twelve months but pre-tax profits lower by some 18 per cent.—the decline accelerated from 7 per cent. in the first half to 27 per cent. in the second—following an upsurge in interest charges of 86 per cent. The two chief troublemakers in the first half, Boulton and Paul and Murphy Brothers, continued as thorns in BET's side, the former's profit contribution dropping by £3½m. and Murphy making an increased loss. These two were joined by Humphries Holdings which made a larger loss than anticipated. Many of the questions surrounding BET—for example current trading climate, level of borrowing, recovery prospects, etc.—will not be answered until the full accounts are published and the market remains suitably indifferent with the shares at 77p yielding 8.8 per cent., covered almost twice.

INDEX TO COMPANY HIGHLIGHTS

Reardon Smith setback

PRE-TAX PROFIT—for the half year to September 30, 1975, of Reardon Smith Line fell sharply from £3.29m. to £1.81m., and assuming there is no improvement in trading conditions, it is anticipated that profits "which will be no more than satisfactory" will be obtained, the directors state.

Profit for the year to March 31, 1975, was £6.26m.

The fleet remained fully employed during the depressed period and the directors remain optimistic in the long term.

	Half year 1975 £000	1974 £000
Trading profit	*1,456	3,280
Interest	245	275
Depreciation	650	407
Surplus sale vessel	1,334	689
Pre-tax surplus	1,895	3,287

* Including £224,000 investment income.

An interim dividend of 1.625p net, against 1.675p is declared. The balance of the maximum allowable dividend will be considered at the end of the financial year. Last year's total was 2.8265p.

The profit for the half year was struck after increased depreciation and interest charges, but includes a surplus on the sale of a vessel of £1.53m. (£0.69m.).

● comment

The market had been expecting fairly poor results from Reardon Smith in the current year but the pre-tax fall of almost 90 per cent. (excluding profit on sale of vessel) at the halfway stage is still a disappointment and the "A" shares slipped 7p yesterday to 143p. The group's policy of maintaining limited forward cover on its vessels has made it particularly vulnerable to depressed freight rates and the effects of this could worsen later in the year when more ships will be forced to trade in the spot market. The group does specialise in small bulk carriers which are normally the first to benefit during any improvement in world wide shipping activity and it should soon start to see the first profits from its investments in oil rigs, but a yield of 3 per cent. (covered 13.7 times in 1974-1975) probably owes more to bid possibilities than to the trading prospects.

Mixconcrete hit by £0.2m. provision

Partly reflecting a provision of £200,000 for exceptional bad debts, first-half profit of Mixconcrete (Holdings) decreased from £404,000 to £118,000, on sales of £10.19m., against £10.3m.

The directors report that the second half started well and the outcome for the full year is viewed with "cautious optimism."

Profit for the year to November 30, 1974, was £505,923.

A same again interim dividend of 1.05525p net per 25p share is declared. Last year's total was 2.20885p.

	Half-year 1975 £000	1974 £000
Sales	10,137	10,384
Bad debts provision	200	—
Pre-tax profit	118	404
Taxation	61	210
Net profit	57	194

Of the £200,000 provision, the indebtedness of Bacal Group amounting to £143,000 has been provided in full.

Cantors growth: 10% scrip

SHEFFIELD-BASED house furnishers, etc., Cantors, reports a sharp expansion from £362,000 to £1,051,000 in pre-tax profit for the year to April 26, 1975, including £619,000, against £148,000 extraordinary gains from sale of properties.

The profit is struck after an increase in provision for unearned profit of £241,000, and an additional contribution to staff pension trust of £30,000. Turnover increased from £6.61m. to £9.01m.

Stated earnings per 20p share advanced from 1.48p to 3.5p, the dividend is stepped up from 1.699p to 1.86885p net with a final of 1.11885, and a one-for-ten scrip issue in "A" shares is proposed for holders registered on September 26.

	1974-75 £000	1973-74 £000
Group turnover	9,012	6,610
Operating profit	703	204
Gains on prop. sales	619	148
Unearned profit provn.	241	*10
Pension Trust	30	—
Pre-tax profit	1,051	362
Taxation	260	126
Net profit	791	236
Dividends	110	97
Forward	1,522	841

*From provision.

No provision has been made for any potential liability to corporation tax from the gains on sale of properties, as the proceeds are being re-invested in similar assets, it is stated.

● comment

Although Cantor's pre-tax performance is obscured by several exceptional items, the £500,000 jump in operating profits is still impressive and the shares gained 7p to 32p on the results. The growth came almost entirely in the second six months when sales rose by 45 per cent. (after an interim gain of 24 per cent.) on the back of increased demand as well as some benefits from the group's relocation programme. Following the sale of the fashion business and the Chester store, the group has started the current year with no short term borrowings, against £573,000 in the 1973-74 balance sheet, and sales so far are well above those of the corresponding period. This puts a yield of 9.3 per cent. on very firm ground.

'Inherent strength' at Redland

Lord Beeching, chairman of Redland, reiterated at the annual meeting that the group's relatively small decline in profit last year, in face of the exceptionally widespread and severe recession in construction world-wide, "shows our inherent strength."

The meeting is about a month earlier than in the past, and this made it more difficult to speak with confidence about the probable out-turn of the current year, said Lord Beeching, especially so since there was as yet no clear evidence of a recovery in construction activity in any of the more important areas of operation.

For the U.K., Lord Beeching said, "All that I can sensibly tell you is that we are fairly well adjusted to prevailing levels of activity with flexibility to respond to the upturn in demand when it comes and that we are exploiting some opportunities even though general conditions remain unfavourable."

Meeting, Page 20.

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corresponding div.	Total for year	Total last year
Edward Bates	Nil	—	2.5	Nil	5
Arthur Bell int.	2.41†	Dec. 1	1.95	—	5.09
BET	2.85	Oct. 17	2.85	4.25	4.25
British Petroleum int.	6.25	Nov. 6	5.86	—	16.86
Brown Bros. int.	0.2	Oct. 20	0.2	—	0.5
Cantors	1.12	—	1.28	1.87	1.7
Church and Co. int.	1.1	Oct. 20	1.0	—	5.37
Derek Crouch	0.94(a)	Jan. 2	1.01	—	3.01
Dalgety	3.8	Nov. 10	3.77	8.13	7.82
Fairview Estates int.	2	Oct. 18	2	—	4.66
Gibbons Dudley int.	0.81	Nov. 4	0.75	—	2.86
Garnar Scotblair int.	1.0	Oct. 16	0.93	—	2.04
ICI int.	6.95	Nov. 11	6.05	—	11.98
Kennedy Smale	0.72	—	0.74	1.39	1.44
Lothian Invest.	0.44	Oct. 3	0.65	0.88	1.09
Magnolia Mftg. int.	0.67	Oct. 1	0.63	—	2.06
Minerals & Resources	6(b)	Oct. 23	45	14	70
Mixconcrete int.	1.06	Oct. 24	1.06	—	2.21
Provident Financial int.	1.31	Oct. 22	1.31	—	3.97
Reardon Smith Line int.	1.63	Sept. 30	1.68	—	2.83
Robb Caledon	Nil	—	3.52	Nil	3.52
Sharpe & Fisher int.	0.7	Nov. 12	0.7	—	1.82
Spong int.	0.39(c)	Oct. 20	0.25	—	1.54

Dividends shown pence per share net except where otherwise stated.
* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. (a) 0.9382p (not 0.009382p as announced yesterday). (b) U.S. cents throughout. (c) Gross throughout.

Results of the first three months of the current year indicate the group is now producing profits and is financially stronger than at this time last year.

The decision to dispose of hotels and to reinvest in reducing borrowings and developing the brewery division enables "long-term confidence."

CCH auditors query Ewer valuation

A difference of opinion between the auditors and directors of CCH Investments over the accounting treatment of the stake in the associate, George Ewer, is revealed in the CCH report. The holding in Ewer, the motor coach and motor trading concern, is around 28 per cent.

In their report the auditors, Peat Marwick Mitchell, point out that the holding is included in *the balance-sheet at its cost of* £1,154,496 and in the consolidated balance-sheet at £1,182,792, representing cost plus share of retained profits. On the other hand its middle stock market value was *only* £600,000 at the financial year-end, March 31, 1975.

Peat Marwick considers a provision of £300,000 should have been charged to the consolidated profit and loss account as an extraordinary item, to reduce the amount at which the shares are included.

The Board, headed by Mr. G. A. S. Currie, states, regarding the Ewer holding, that it has been decided not to include any provision against this long-term investment since the shares, reserves and deferred tax attributable to CCH's interest are presently worth some £900,000.

Moreover, the directors say, the Ewer Board, of which Mr. Currie is a member, expects increased profits in the current year and *the CCH Board is confident that* Ewer has excellent prospects.

In his annual statement, Mr. Currie says that, although the group's liquid resources were fully utilised during the year under review, the position has greatly improved since then. The group now has a position cash flow situation.

Provident Financial decline

FOR THE first half of 1975 Provident Financial Group, formerly Provident Clothing and Supply, reports profits before tax of £2.38m. compared with £2.92m. in the corresponding period and £6.84m. in the last full year.

The directors say they consider profits to be satisfactory having regard to the decline in turnover from £79.5m. to £57.2m. in the first six months.

Higher gross margins were earned to cover the increases in agents' commission and other operating costs but the reduced charge for interest, mainly attributable to a lower level of average borrowings, did not wholly compensate for the loss of revenue from reduced turnover, they explain.

The interim dividend is held at 1.3125p net and the directors *expect to declare, subject to unforeseen circumstances a final of* not less than last year's 2.654p.

	Half-year 1975 £000	1974 £000	Year 1974 £000
Turnover	57,209	79,468	164,464
Trading profit	7,745	10,975	22,450
Interest	5,364	8,055	15,615
Profit before tax	2,381	2,920	6,835
Tax	1,238	1,518	3,660
Profit after tax	1,143	1,402	3,175
Extraord. items	—	—	3,232
Dividend	507	507	1,533

Adequate liquidity reserves are being maintained and current *arrears experience shows no deterioration over 1974 year-end.*

The level of profitability for the full year ultimately depends upon the volume of acceptable business available during the remainder of the year and the continued stability of interest rates and operating costs, the directors adds.

● comment

Provident made life doubly difficult for itself in the January-June half by cutting the personal loan side, while also running a higher gross margin on sales. These defensive measures explain the sharp fall in turnover—which upset all the analysts' calculations—and broadly maintained margins at the pre-interest level. Cheaper interest rates on automatically lower borrowings mean that the pre-tax decline is restricted to a fifth. Liquidity reserves have also been built up, and another short-term bull point must be the maintenance of consumer demand despite higher costs. Nevertheless, higher levels of unemployment could provoke a permanent change in the lending strategy, and the market is still grappling with the possible effects of this on the group's profitability. At 67p, the yield is 9 per cent.

£15m. net loss for Edward Bates

AFTER PROVISIONS and extraordinary charges, Edward Bates and Sons (Holdings) has incurred an attributable loss of £15.22m. in the year ended March 31, 1975, compared with a profit of £768,000 last time.

Over £5m. has gone to exceptional provisions for property loans and investments, and nearly £12.5m. as extraordinary items—including the loss on sale of Welfare Insurance and losses on sale of and provisions for fixed assets investments.

The loss per share is 18.9p (earnings 10.7p); after extraordinary items it becomes 105.8p. There is no dividend, against a 5p total in 1973-74.

	1975 £000	1974 £000
Operating profit	1,038	1,165
Associates' loss	177	*1,790
Asset profit	2,033	—
Exceptional provisions	5,181	—
General provision	1,500	—
Loss before tax	3,787	*2,955
Tax recoverable	1,059	‡1,406
Minority interests	27	19
Revenue loss	2,725	*1,529
Extraordinary items	12,493	42
Attributable loss	15,218	*1,488
Dividends	—	718

* Profit. † On sale of Bates Oil Corpn. ‡ Charge.

The operating profit is after deduction of provisions in respect of loans, advances and current asset investments other than provisions for property loans and investments. The additional transfer to general provision reflects the need in the current disturbed economic conditions to establish a higher level of general provision than previously appeared necessary.

Chairman Mr. D. A. Keown-Boyd says the directors have taken two fundamental decisions. The first is to enable the group in general, and the banking subsidiary in particular, to build itself into a major financial force. To make this possible the directors decided that Bates should become the first London merchant bank to have a strong Arab participation, and thereby open "the door to those great revenues now at the disposal of the Arab oil producers."

Secondly, they believe that in certain areas the style and type of business suitable to the group as a London merchant bank, and in particular one controlling an Authorised Bank, has changed fundamentally. "Success will only follow if we are prepared to recognise this fact, and to act accordingly."

Directly and indirectly the *group has under management* assets amounting to some £94m. Of this, some 70 per cent. is overseas. The figures exclude investments managed for clients and cash balances.

Mr. Keown-Boyd says the group is now in a position to be profitable and he is convinced it is heading for a period of steady improvement in both the profitability and the quality of bu[siness]. However, there is no short [...] road to full recovery.

Gibbons Dudley upsurge

FIRST-HALF pre-tax pr[ofits of] Gibbons Dudley have dou[bled to] £1.46m., and a "sig[nificant] increase" for the year, co[mpared] with the £1.74m. for 1974 [is fore]cast. External turnover [for the] six months expanded [from] £12.13m. to £14.84m.

The interim dividend is [raised] from 0.75p to 0.8125p net [per] share. The 1974 tota[l was] 2.86305p.

	6 months 1975 £000	1974 £000
Refractories sales	4,671	[illegible]
Building products	3,393	[illegible]
Engineering	6,685	[illegible]
Industrial estates	328	[illegible]
Less intra group	150	[illegible]
External sales	14,837	[illegible]
Refractories profit	471	[illegible]
Building products	458	[illegible]
Engineering	331	[illegible]
Industrial estates	142	[illegible]
Parent	54	[illegible]
Interest	*18	[illegible]
Profit before tax	1,458	[illegible]
Taxation	675	[illegible]
Outside holders	68	[illegible]
Attributable	703	[illegible]
Extraord. items	*225	[illegible]
Balance	478	[illegible]

* Charge. † Credit.
Cost of the interim [illegible] (£96,732).

Present trends indic[ate it] would be prudent to expe[ct a] down-turn for the second [half in] profits of the refractories [...], the directors state. [Other] divisions continue to trad[e satis]factorily.

The overall cash positi[on con]tinues to be satisfactory.

The major item of the extraordinary debits is an [...] written off the valuation [of free]hold land following the [sale for] £604,000 of 40 acres of [...] Dibdale, in the books at £[...].

No provision has bee[n made] for tax liability which ma[y arise] from this transaction.

HAT Group growth

Mr. A. C. V. Telling, ch[airman], addressing the annual me[eting of] HAT Group Limited (s[pecialist] *sub-contractors to the [...] industry)* reiterated the [confi]dence he expressed in his statement in the repo[rt and] accounts.

He up-dated this by sayi[ng that up] to the end of the first five [months] of the current year turno[ver was] again higher and profit [better] than the corresponding pe[riod of] the previous year.

ISSUE NEWS AND COMMEN[T]

9% Water tender

ARRANGEMENTS HAVE been completed by brokers Seymour Pierce and Co. for the offer for sale by tender of £2½m. 9 per cent. Preference Stock 1980 in York Waterworks at a minimum price of £98 per cent.

The stock is payable as to £10 per cent. with tenders, to be received by not later than September 11 and the balance on September 30. Grossed up flat and final yields are 14.06 per cent. and 14.27 per cent. respectively. Interest is payable half yearly with a first payment of £2.3153 per cent. due on January 2, 1976.

● comment

Subscriptions for the water issues seem to be on a downward trend to the point that stock for the last two tenders was issued at the minimum level in the case of one and just above for the other. The terms for York are identical to those of Bristol, which is now standing at par (£10 paid) and attracted subscriptions to th[e tune] of £3.1m. There is a narrow market in the stock while there seems [a] more positive demand fo[r new] stocks. Nevertheless York [would] seem to have little in ha[nd over] current issues and that sh[ould be] reflected in subscription l[evels].

Other Issue News [...] Cantors, this Page

RECENT ISSUES

EQUITIES

Issue Price p	Amount Paid Up	Latest Renunc. Date	1975 High	1975 Low	Stock	Closing Price p	+ or −	Div. Amount	Times Covered	Gross Yield	P/E Ratio
$106	F.P.	—	£77	£75	Brazilian Inv. S.A.	£75	.....	—	—	—	—
55	F.P.	21/8	55	52	Lawrence (Walter)	52	.....	♭4.5	2.7	12.[illegible]	4.6

FIXED INTEREST STOCKS

Issue Price	Amount Paid up	Latest Renunc. Date	1975 High	1975 Low	Stock	Closing Price	+ or −
::	F.P.	21/8	95	85	Adwest Grp. 10¾% Cnv. 95/2000	85	.....
$100	F.P.	—	101	98¼	Barclays Bank Int 9½% Capital Notes 1982	99¼	.....
£100	£50	7/11	52	50	Barnet Corp. 13½% 1980	51⅝	−¼
£100	£50	7/11	52¼	49¾	Do. Do. 14% '84/5	51⅝	−¼
‡**£98	£10	17/10	10	9½	Bristol Water 9% Red Pref 1980	10	.....
£100	F.P.	—	100½	98¼	CSR 9½% Notes 1981	100½	.....
**£99	F.P.	12/9	101¼	[illegible]	Camb. Water 9% Red. Pref. 1980	98½	.....
£100	£50	—	49½	44	Ciba Geigy (G.F.S.) 8¾% Guar. Ln. 1982/95	44	.....
£98½	£10	—	10⅝	10	City of Liverpool 13¾% Stk. 1981	10½	−⅛
£97½	F.P.	12/9	99¼	96¼	City of Westminster 13% Red. St. 1981	99	−¼
£99	F.P.	5/9	101⅛	98	Clayton Dewandre 16% Deb. 90/5	101½	.....
£98½	£10	5/12	11¼	9½	Derby Borough Council 13¼% Stk. 1982	10½	−¼
‡£99	F.P.	29/8	100¼	98	East Surrey Water 9% Red. Pref. 1980	99	+1
‡£98	F.P.	5/9	1/4	83	English Properties 12% Conv. Ln. 2000/5	98	.....
‡£1	Nil	9/9	[illegible]	[illegible]	Fodens 10% Cnv. Red Cum Pref.	[illegible]pm	.....
£99	F.P.	31/7	11[illegible]	99½	Folkestone Dist. Water 9% Red. Prf. 1980	100½	+½
£100	£50	26/10	56¼	[illegible]	Hoechst 10% Guar. Ln. 1991	54	.....
::	F.P.	—	105p	98p	Johnson & Firth Brown 11.05% Cm. Conv. Prf	108p	.....
‡£100	£40	22/8	60	40½	Land Secs 10% Conv. 90/5	60	+½
‡£100	F.P.	21/8	107½	97	Mitchell Cotts 12% Conv. Uns. 90/5	104	.....
£99	F.P.	26/9	100¼	97	Newcastle & Gate 9% Red. Prf. 1980	98¼	−¼
£99	F.P.	31/7	11[illegible]	[illegible]	N. Surrey Water 9% Red. Prf. 1980	10[illegible]	+½
‡£100	F.P.	—	[illegible]	87	Property Hldgs. & Inv. 9% Conv. 90/5	94	.....
—	F.P.	—	100	99	Schlesinger Int. Fd. (Jersey) Part Red Pref	100	.....
£99	F.P.	29/8	99¼	95	Sunderland Water 9% Red. Prf. 1980	98¼	+¼
::	F.P.	—	97	71¾	Turner Curzon Ins. Conv. Uns. '78-80	95	−2
::	F.P.	29/8	107½	86¼	Whitbread 11% Conv. 1995	107½	+1½

"RIGHTS" OFFERS

Issue Price p	Amount Paid	Latest Renunc. Date		Stock	Closing Price p	+ or −
2.80	Nil	—		Allertons Invs	25pm	−6
16½	F.P.	15/8	10/9	Adams Foods	19	.....
68	Nil	—		BPB Ind	42pm	+½
46	F.P.	7/7	10/9	BOC Intl.	49	+1½
90	F.P.	22/8	17/10	B.T.R.	145	−3
IsL1.25	F.P.	4/9	1/10	Bank Leumi le Israel BM	23	.....
10	F.P.	5/9	26/9	British Car	30	+3½
66	F.P.	4/9	4/10	Childs & Sons	89	+2
56	F.P.	22/8	19/9	Clayton Dewandre	59	+5
25	F.P.	27/8	26/9	Crellon	30	.....
41	F.P.	22/8	12/9	Crossley Building	50	+1
65	F.P.	21/8	16/9	Davy Intl.	90	+9
27	Nil	12/9	5/10	Dixons Photo	16pm	+1
27	Nil	12/9	5/10	Do. A	16pm	+1
72	F.P.	30/7	26/9	Dunbee-Combex-Marx	158	+11
26	F.P.	15/8	19/9	Empire Stores	77	.....
10p	F.P.	29/7	5/9	Headlam Sims & Coggins	11½	.....
35	F.P.	29/8	3/10	Howard Machinery	43	+4
48	F.P.	15/8	16/9	Lex Land	54	+1½
105	F.P.	30/7	16/8	Legal & General	111	.....
128	F.P.	15/8	19/9	McCorquodale	171	.....
52	F.P.	20/8	2/10	Morgan Edwards	41	+1
25	F.P.	5/9	3/10	Normand Elect.	28	−½
78	F.P.	26/8	19/9	Royal Worcester	112	+1
50	Nil	—	—	Sangers Group	15pm	+5
40p	F.P.	28/8	25/9	Scottish & Newcastle Brewery	66	−1½
10	F.P.	28/7	12/9	Senior Engineering	15¾	.....
80p	F.P.	25/7	12/9	Siebe Gorman	137	−1
170	F.P.	5/8	5/10	Tate & Lyle	202	+5
35	F.P.	15/8	12/9	Westland Aircraft	47½	+1
12½	Nil	12/9	5/10	Woodhouse & Rixson	10½pm	+1

Renunciation date usually last day for dealing free of stamp duty. a Placing price to public. b Figures based on prospectus estimate. d Dividend rate paid or payable on part capital, cover based on dividend on full capital. p** Pence unless otherwise indicated. u Forecast dividend: cover based on previous year's earnings. T Figures assumed. • Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividends. ** Issued by tender. ‡ Offered to holders of Ordinary shares as a "rights". ♥ 290 S.Afr. cents. ‡ Rights by way of capitalisation. ♦♦ Tender allotment price. ♦ Reintroduced. ‡‡ Issued in connection with reorganisation, merger or take-over. ♣ Introduction. ♠ Issued to former Preference holders. : Allotment letters (or fully-paid). † Provisional or partly-paid allotment letters. § With warrants.

INTERIM STATEMENT

هكذا من الأصل

ICI turns in £78m. for second quarter

IN THE second quarter of 1975, profits of Imperial Chemical Industries came to £78m., making £158m. for the half year.

This compares with £254m. in 1974, of which £132m. was earned in the second quarter.

The economic recession continues to affect the chemical industry world-wide and to depress the group's results, particularly in fibres and plastics. However, these effects have been mitigated by the broad product and territorial spread of total operations.

The directors say that if adjustments were made, by using general purchasing power indices, for the impact of current inflation the £158m. first-half profit would be reduced by about £130m. This compares with a corresponding reduction of £123m. for the whole of 1974 in the conditions of inflation which existed then.

Sales in the first half comprise U.K. £641m. (£598m.) and overseas £861m. (£846m.). Fob value of exports was £284m. (£322m.).

	First half 1975 £m.	First half 1974 £m.	Year 1974 £m.
External sales	1,502	1,444	2,955
1st quarter	748	661	—
2nd quarter	754	783	—
3rd quarter	—	—	785
4th quarter	—	—	726
Depreciation	84	81	188
Profit before tax	158	254	453
1st quarter	80	122	—
2nd quarter	78	132	—
3rd quarter	—	—	119
4th quarter	—	—	82
Taxation	*63	113	201
Development grants	14	7	14
Extra-ord. debits	5	—	6
Minorities	10	11	19
Attributable ICI	94	137	243

* Corporation tax £47m., overseas £24m., principal associates £1m., less £9m. for investment grants.

The whole of the permitted dividend increase is being made in the interim, which is up from 6.0551p to 6.9493p net at a cost of £34m. The 1974 final was 8.025p.

Trading results for the first nine months will be announced on November 27. At that stage last year, sales had reached 2.21bn. and profits £373m.

Statement, Page 21
See Lex

Robb Caledon loss £1.57m.

The substantial loss indicated by Robb Caledon Shipbuilders turns out to be £1,567,000 for the year to March 31, 1975. This compares with last month's estimate of around £1,550,000, and with a profit of £181,000 for the previous year.

The loss per 50p share was 109.6p, against 8.3p, and there is no dividend (3.5175p net).

Reasons for the difference between the forecast contained in the February statement of a small profit and the loss were notified last month.

Following the adoption by holders of necessary resolutions, the company has drawn down the subordinated loan of £2.5m. from Lazard Brothers and Co.

The loss is after charging an increased provision for estimated future losses on contracts of £3.5m. (£385,000) and after crediting shipbuilding construction grants £165,000 (£179,000) and interest on loans and deposits £518,000 (£351,000).

	1974-75 £000	1973-74 £000
Turnover	10,511	8,404
Loss	1,567	*181
Tax credit	43	†91
Net loss	1,524	*90
Minorities	18	23
Attributable loss	1,506	*113
Dividend	—	48
Debit balance	1,506	†65

* Profit. † Charge.

Fairview holds net interim

THE DIRECTORS of Fairview Estates have again considered it prudent to reduce the book value of development work in progress and, after a higher provision of £901,000, against £690,000 for this, the first half group pre-tax profit is £1,038,000, compared with £1,225,000.

Earnings per 10p share for the period are shown at 4.7p against 5.3p. The net interim dividend is maintained at 2p—total for 1974 was 4.65675p paid from profits, after £1.87m. written off developments, of £2.59m.

Mr. D. J. Cope, chairman, says the result was satisfactory having regard to the overall climate and circumstances. Turnover was increased both in monetary terms and the total number of houses sold.

Forward sales for the remainder of this year and early next year are at a level satisfactory to maintain the company's planned volume of turnover.

The industrial/commercial section has managed to increase the total contracted rent roll to £922,000 and restricted development continues on key sites.

Currently, the chairman reports, no further acquisitions of land for housing or commercial/industrial development are being undertaken. Priority is being directed to reducing land stocks and borrowing.

	Six months 1975 £000	Six months 1974 £000
Turnover	9,981	7,402
Profit	1,939	1,915
Off book value of devlpmts.	901	690
Pre-tax profit	1,038	1,225
Taxation	540	661
Balance	498	564
Minority	7	5
Attributable	491	559
Int. dividend	211,000	211,000

● comment

Fairview's unit sales and average selling prices rose by a third in the first half, from 600 to 800 and from £9,000 to £12,000 respectively. Costs, however, rose even faster, hence the decline in group profits per unit of £800 to £2,400. But there is some discreet optimism about second-half returns and unit sales could exceed the 1,200 mark, assuming a more liberal lending policy by the building societies. Liquidity, too, should improve as the GLC bulk sales mature. At 55p, the shares yield 13.5 per cent.

Statement Page 25

Church first half advance

FIRST HALF turnover of the Church and Co. footwear manufacturing and retailing group has risen from £5.7m. to £6.5m., and taxable profits show an advance from £444,485 to £496,698.

The net interim dividend is 1.1p per 25p share, compared with 1p. Total for the year 1974 was 5.37p paid from profits of £1.2m.

Mr. I. B. Church, chairman, reports that increased sales have resulted in better profits from the U.K. manufacturing companies.

Export trade remains buoyant —there are "hopeful signs" that the recession in the U.S. is coming to an end, and the directors expect the American company to show a profit for the year.

Mr. Church says that so much of group profit is earned by the retail subsidiaries that the outcome for the year must, to a large extent, depend on retail trade during the rest of the year. "So far this has held up very well," he adds.

	Half-year 1975 £	Half-year 1974 £
Turnover	6,456,627	5,695,290
Profit	496,698	444,485
Taxation	242,054	229,888
Net profit	254,644	214,597
Minority	1,592	1,886
Available Ord.	253,052	212,791

● comment

Church's interim figures show a roughly maintained picture after six months, both in terms of pre-tax profit and sales advances—12 per cent. and 13 per cent. respectively—though it must be borne in mind that the comparison is with an unduly depressed period. The background to this is that the retail side, the front runner during the last financial year, has held up well and it has been the turn of the manufacturing side to make progress. Currently the situation remains roughly the same, while exports, too, have been very buoyant for the retail division—in this regard the group has particularly high hopes for the North American operation. At 100p, the shares are still down 17½ per cent. from the 1975 peak where the prospective yield is a little over 9 per cent. a return not out of step with the rest of the sector.

Cawoods 10% behind so far

MR. E. BINKS, chairman of Cawoods Holdings, tells members in his annual statement that it would not be prudent to make a forecast for the current year's trading result against the existing uncertain economic background.

Profits to date are lower by some 10 per cent. and, unless there is a general improvement in trade, it is going to be difficult to achieve last year's record profit of £4.12m. before tax, he says.

However, the directors will not be deterred from considering any opportunities which may occur to strengthen its various divisions.

The group has a strong liquid position and intends to continue with planned expansions. Cash balance at March 31 was £1.69m. and net current assets increased by £1.11m. to £6.39m.

As reported on August 13 taxable profit for the year to March 31, 1975 expanded from £3.41m. to £4.12m. and the dividend is stepped up from 7.85514p to 8.63984p gross.

Mr. Binks explains that profits benefited mainly by improved contributions from fuel distribution, refractories and interest received on short term deposits. The building and road materials sections made satisfactory contributions, only 15 per cent. below the previous year, in a depressed market.

Profit before tax came as to £2.19m. (£1.61m.) from fuel distributions, £541,000 (£678,000) from asphalt, stone quarries and concrete products, £847,000 (£956,000) from sand and gravel, ready-mixed concrete and builders' supplies, £224,000 (£41,000) from refractories and £14,000 (£34,000) from containerisation, plus investment income £25,000 (£16,000) and interest received £412,000 (£212,000) less loan stock interest £135,000 (£140,000).

Capital expenditure authorised and outstanding at March 31, 1975 totalled £536,274 and a further £513,321 has been authorised since then.

These figures do not include North Sea oil exploration and development expenditure in the Ranger Consortium.

Exploration and development expenditure authorised and outstanding at and authorised since the year end amounts to £2.29m. being £3.04m., the total value of holdings in London and Scottish Marine Oil when the outstanding calls have been made, less expenditure to March 31 of £748,979.

Meeting Harrogate on September 26 at noon.

Dalgety profit down 66%: pays more

IN LINE with the forecast of a "substantial reduction" pre-tax profit of international merchants, Dalgety, contracted from the previous year's record £19.15m. to £6.77m. in the year to June 30, 1975, a fall of 66 per cent. At mid-way it was down from £9.39m. to £4.05m.

Basic earnings per £1 share for the year are shown to have dropped from 38.4p to 4.4p, or from 36.3p to 4.8p fully diluted. The dividend is raised from 7.6179p to 8.1295p net with a final of 3.7995p—cost of the year's total is £2,144,000.

Turnover expanded from £470m. to £624m.

	1974-75 £000	1973-74 £000
Turnover	624,000	470,000
Australia loss	2,622	*3,923
New Zealand profit	912	5,528
U.K.	6,472	4,166
Canada	1,468	2,779
U.S.	1,421	682
Central inc. less exp.	119	132
Profit before tax	6,770	19,152
Estimated tax	5,263	8,985
Minority	197	1,173
Attributable	1,310	8,996
Extraordinary credits	1,934	727
Available	3,244	9,723

* Profit.

There was an additional three months profits from the U.S. and Canada, due to change in year-end, amounted to £976,000.

Net losses (after interest costs of financing acquisitions) amounted to £657,000, of newly acquired subsidiaries — Crosfields and Calthrop and Spiegl Foods—and a reduction in livestock values in Australia resulted in a decrease in profits of £803,000.

The results emphasise again the importance of the progress made in rendering the group somewhat less vulnerable to the fluctuating fortunes of the rural sectors of the Australian and New Zealand economies, says the chairman, Mr. R. A. Withers.

All regions were affected by inflation of operating costs and by the decline in world trade.

Tax for the year is abnormally high, due to there being no relief for Australian losses of £3.6m although the losses will be available for offset against future profits of the Australian operation. Owing to availability of stock relief and accelerated depreciation allowances, the only tax currently payable will be £940,000 overseas and U.K. corporation tax and £1,152,000 ACT.

Mr. Withers emphasises that the financial strength has been maintained. Short-term borrowings have reduced during the year and the group has access to adequate facilities to meet the requirements of its existing businesses.

● comment

Dalgety's profits collapsed from £9.2m. to £2.7m. in the second half of 1974-75 leaving the overall total down very nearly two-thirds before tax. The agricultural slump in Australasia has cost the group over £15m.; average selling prices for livestock dropped 74 per cent. over the year and wool per bale fell by around a quarter, and against that price background volume dropped dramatically. Still, volume this year has begun to recover as the farming communities are forced to come to terms with depressed selling prices, and given the hopes for continued growth in the U.K. and in the U.S.—along with a bounce back by the Canadian timber interests—a useful turnround in earnings can be expected for 1975-1976. Meantime, the shares yield 7.6 per cent. at 167p, and the balance sheet has emerged relatively unscathed with net debt held at roughly £100m.

Statement, Page 7

Recovery at Rothmans

Performance of Rothmans International, the cigarette and tobacco group, had been very satisfactory during the first four months of the current year from April, the chairman, Lord Pritchard, said at the annual meeting yesterday.

In prevailing circumstances, including inflation and recession, overall sales to date were slightly down, but in line with expectations, gains in certain markets being offset by declines in others. Exports had remained buoyant and had again set new record levels.

Lord Pritchard also told shareholders that price adjustments to the products in a number of markets had relieved the pressures on margins and that, to date, the anticipated recovery in profits was being realised. In 1974-75 pre-tax profits fell to £21.4m. from £27.2m.

In the absence of adverse influences beyond Board control, prospects for the improvement in earnings continuing through the remainder of the year were "good."

In the course of replying to questions from Mr. Michael Daube, executive director of Action on Smoking and Health (ASH), Lord Pritchard claimed there was good evidence that the banning of cigarette advertising had very little, or no, effect on cigarette consumption. This was in answer to a question referring to a statement in the Commons by the Helath Minister, Dr. David Owen, that there was good evidence that advertising increased smoking.

Lord Pritchard added that the group's prime aim was to increase its present relatively small share of the market compared with that of its larger competitors.

Meeting, Page 18

Conway Stewart's

Conway Stewart and Co., the oldest fountain pen manufacturers in Europe, disclosed total debts of £1.2m. at a first meeting of creditors in London yesterday.

Assets had been estimated at £886,000 on a going concern basis, but if a forced sale was necessary they were likely to realise only £505,000 said Official Receiver Norman Saddler.

Mr. Saddler said the company also faced a massive £5m. contingent liability under a guarantee it had given for Heenan Spark Group, of which it became part in 1971. If that guarantee liability was established the hopes of unsecured creditors "would be completely dashed."

The debts comprised preferential creditors £179,000, debentures £34,000 and unsecured creditors £997,000. The issued share capital of £255,000 had already been totally lost, said Mr. Saddler.

30th September 1975 REDEMPTION

PHILIPS INTERNATIONAL FINANCE S.A.

U.S. $25,000,000 6¾% LOAN 1976

REDEMPTION OF BONDS

Philips International Finance S.A. announces that for the redemption period ending on 30th September 1975 it has purchased bonds of the above loan for U.S. $155,000 nominal capital and tendered them to the Trustee for cancellation.

The nominal amount of bonds to be drawn for redemption at par on 30th September 1975 to satisfy the Company's current redemption obligation is accordingly U.S. $3,745,000 and the nominal amount of this loan remaining outstanding after 30th September 1975 will be U.S. $3,800,000.

DRAWING OF BONDS

Notice is accordingly hereby given that a drawing of bonds of the above loan took place on 20th August 1975 attended by Mr Alan Walmsley of the firm of John Venn & Sons, Notary Public, when 3,745 bonds for a total of U.S. $3,745,000 nominal capital were drawn for redemption at par on 30th September 1975.

The following are the numbers of the bonds drawn:—

00001	00018	00028	00041	00060	00061	00062	00066	00080	00089	00096	00111	00118	00115	00116	00132	00134	00135	00149	00158
00160	00163	00166	00169	00181	00198	00210	00219	00222	00227	00229	00250	00251	00257	00258	00268	00269	00274	00275	00284
00287	00290	00293	00298	00302	00328	00332	00337	00338	00348	00356	00362	00371	00375	00378	00388	00389	00398	00399	00412
00414	00417	00425	00438	00440	00446	00454	00455	00469	00478	00485	00500	00502	00510	00511	00513	00516	00531	00540	00542
00548	00549	00563	00567	00581	00582	00584	00592	00595	00607	00611	00615	00620	00622	00624	00628	00629	00631	00634	00641
00653	00655	00665	00676	00678	00689	00691	00696	00698	00701	00707	00720	00725	00728	00732	00740	00745	00760	00765	00788
00794	00797	00813	00819	00829	00831	00842	00846	00852	00853	00867	00877	00881	00888	00896	00900	00910	00912	00913	00922
00925	00926	00934	00938	00941	00943	00946	00949	00962	00970	00987	00995	01004	01006	01012	01014	01022	01027	01040	01081
01084	01085	01086	01116	01131	01135	01137	01145	01149	01162	01168	01170	01184	01188	01196	01220	01226	01229	01256	01270
01274	01298	01306	01317	01326	01357	01358	01359	01374	01376	01384	01389	01390	01392	01394	01396	01398	01400	01404	01429
01446	01454	01465	01472	01481	01491	01494	01498	01501	01502	01504	01505	01509	01530	01533	01537	01541	01585	01586	01587
01538	01607	01615	01618	01622	01623	01626	01627	01629	01645	01655	01673	01685	01691	01697	01707	01709	01712	01718	01722
01723	01725	01726	01732	01734	01738	01739	01743	01747	01776	01778	01781	01782	01784	01785	01792	01799	01800	01805	01806
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
23615	23626	23637	23647	23652	23653	23657	23663	23667	23668	23671	23675	23684	23686	23691	23692	23693	23699	23702	23703
23706	23711	23712	23713	23729	23731	23732	23743	23760	23765	23768	23771	23772	23773	23777	23780	23783	23786	23787	23797
23800	23805	23809	23820	23821	23825	23846	23850	23851	23853	23856	23857	23858	23860	23861	23869	23877	23878	23881	23883
23887	23892	23893	23894	23895	23898	23899	23907	23911	23925	23927	23931	23933	23936	23938	23947	23961	23965	23964	23966
23968	23969	23974	23976	23990	24004	24030	24031	24033	24042	24048	24060	24067	24072	24075	24087	24089	24091	24096	24098
24103	24105	24110	24134	24136	24144	24160	24164	24165	24177	24197	24201	24205	24206	24212	24226	24259	24263	24264	24265
24268	24273	24281	24286	24288	24299	24304	24308	24312	24314	24317	24326	24327	24330	24333	24334	24344	24345	24356	24359
24363	24365	24368	24373	24375	24389	24393	24398	24399	24400	24402	24408	24419	24421	24434	24439	24440	24444	24450	24465
24469	24472	24475	24486	24489	24495	24496	24500	24507	24509	24516	24518	24524	24525	24528	24538	24543	24545	24551	24556
24557	24558	24562	24574	24576	24581	24582	24587	24590	24595	24598	24605	24608	24610	24619	24624	24626	24629	24636	24638
24643	24665	24671	24677	24682	24683	24686	24689	24691	24696	24698	24707	24711	24712	24713	24716	24719	24726	24727	24728
24729	24733	24735	24755	24761	24763	24765	24771	24775	24782	24799	24811	24815	24817	24818	24822	24825	24828	24831	24836
24840	24851	24855	24862	24864	24870	24871	24872	24874	24880	24899	24918	24921	24937	24938	24940	24942	24943	24954	24960
24962	24964	24988	24987	24993															

Witness: Alan Walmsley, Notary Public

The above bonds may be presented for payment of the proceeds of redemption at par on or after 30th September 1975 at the offices of the paying agents named on the coupons in the manner specified in Condition 6 of the Terms and Conditions of the Loan printed on the reverse of the bonds. Each of these bonds when presented for redemption must bear the coupon dated 30th September 1976, otherwise the amount of the missing coupon will be deducted from the principal to be repaid.

Principal Paying Agent: N. M. Rothschild & Sons Limited, New Court, St. Swithin's Lane, London EC4P 4DU.

5th September, 1975.

INTERIM STATEMENT

ICI Half Year's Results

The Board of Directors of Imperial Chemical Industries Limited announce the following unaudited figures of the trading results of the Group for the first half of 1975 with comparative figures for 1974.

1974 First Half £ millions	1974 Year £ millions		1975 First Half £ millions
1,444	2,955	SALES TO EXTERNAL CUSTOMERS	1,502
254	455	PROFIT BEFORE TAXATION & GRANTS	158
81	169	After providing for Depreciation	84
−113	−201	Taxation less investment grants	−63
7	14	Regional development grants	14
148	268	PROFIT AFTER TAXATION & GRANTS	109
—	−6	Extraordinary items	−5
148	262		104
−11	−19	Applicable to minorities	−10
137	243	PROFIT AFTER TAXATION & GRANTS *APPLICABLE TO IMPERIAL CHEMICAL* INDUSTRIES LIMITED	94

Group sales in the first half of 1975 comprise sales in the U.K. of £641m. (1974 £598m.) and overseas sales of £861m. (1974 £846m.). The fob value of exports during the first half of 1975 was £284m. (1974 £323m.).

The economic recession continues to affect the chemical industry world-wide and to depress the Group trading results particularly in fibres and plastics. The effect of the recession in these business areas has, however, been mitigated by the broad product and territorial spread of the total operations of the Group.

The following table summarises the quarterly sales and profits before taxation:

	Group sales £ millions	Group profit before tax £ millions
1974 First Quarter	661	122
Second Quarter	783	132
Third Quarter	765	119
Fourth Quarter	746	82
YEAR	2,955	455
1975 First Quarter	748	80
Second Quarter	754	78

If adjustments were made, by using general purchasing power indices, for the impact of current inflation on these figures, Group profit before tax of £158m. would be reduced by *approximately £130m.; this compares* with a corresponding reduction of £123m. for the *whole* of the year 1974 in the conditions of inflation which existed then.

The charge for taxation in the first half of 1975 consisted of £47m. of corporation tax, £24m. overseas tax and £1m. of tax on principal associated companies, less a credit of £9m. for investment grants.

INTERIM DIVIDEND FOR 1975

The Board have declared an interim dividend of 6.9493 pence (six point nine four nine three pence) per £1 unit of Ordinary stock of the Company in respect of the year 1975. This, together with the imputed tax credit of 3.7419 pence is equivalent to a gross dividend of 10.6912 pence (1974 9.0375 pence).

The increase of 1.6537 pence is the maximum amount by which gross total dividends for the year can be increased under current legislation and will preclude any increase in the final gross dividend.

The interim dividend now declared, which will absorb £34m. will be payable on 11 November 1975 to members on the Register on 26 September 1975, by which date transfers must be lodged.

First nine months results of 1975

The trading results for the first nine months of 1975 will be announced on 27 November 1975.

BP £80m. in first half

SECOND QUARTER net income of British Petroleum amounted to £37.3m., to give £79.5m. for the first half of 1975.

Excluding a non-recurring £175m. stock profit, the comparable 1974 six months produced £207.1m. of which £114.7m. came *in the first quarter.*

Net income per share for the half year is shown at 20.5p, against 98.9p including the stock profit.

Total sales for the second quarter were 42.1m. tons. This is a reduction of 5.8 per cent. on the first quarter but compared with the second quarter of 1974 is a downturn of 25.1 per cent.

	First half Jan./June 1975 £m	First half Jan./June 1974 £m	Year 1974 £m
Sales proceeds	4,435.4	4,590.3	9,305.6
Duties and Sales taxes	805.4	709.7	1,495.5
Net proceeds	3,630.0	3,870.8	7,810.1
Other income	83.3	69.3	173.7
Cost of oil, freight etc.	2,367.9	2,199.3	4,798.2
Distribn., selling	331.9	304.5	670.3
Depreciation	90.9	81.4	163.6
Interest paid	51.1	34.9	79.3
Income before tax	882.5	1,320.0	2,271.9
Overseas tax	791.7	903.5	1,747.9
U.K. tax	*14.2	11.5	23.0
Minority loss	2.9	†22.9	†25.1
Extraord. credits	—	—	11.6
Net income	79.5	382.1	487.4

* After overseas relief. † Profit.

The interim dividend is stepped up from 5.86p to 6.25p, reflecting such proportion of the permitted increase as applies to the interim only. Total payment for 1974 was 16.86p.

See Lex

British Northrop improves

TAKING IN extraordinary credits of £197,358, British Northrop has reduced its loss from £334,398 to £29,476 in 1974.

The directors are confident that this will prove to be the turning point in the company's fortunes, and application has been made to the Stock Exchange for the shares to be relisted.

The extraordinary items include *surplus from disposal of* Chad Valley Company £81,696, surplus depreciation on revaluation of property £128,574, and charges relating to loan from the DTI £12,912.

	1974 £	1973 £
Turnover	3,257,996	1,889,895
Interest paid	145,320	75,997
Loss	226,834	258,702
Extraord. credits	197,358	*81,696
Net loss	29,476	334,398

* Debits.

Mr. D. Alliance says the second half showed a return to profitability for the first time for many years, most of which occurred in the last quarter, and a further substantial improvement took place in the first half of 1975.

The DTI has agreed to provide £500,000 of medium-term loan capital to assist in expanding textile machinery activities. Turnover from the manufacture of textile machinery and accessories increased from £1.03m. to £2.15m. in 1974 *and is currently running* at an annual rate exceeding £3m.

Technical innovations and development of current products have continued at an increasing rate and the order book exceeds 12 months' production. The property side has shown a "decided *improvement" with net rental* income increasing by over half.

Brown Bros. ahead in first half

REFLECTING continued recovery, profits of Brown Brothers Cor*poration for the first half of 1975* rose 27 per cent. to £740,000.

And the directors emphasise that 1974 included trading profits of £107,000 from companies since disposed of or closed down.

The figures demonstrate further progress towards the group's main objective of holding and improving an already strengthened financial position.

At June 30, total borrowings of £6.4m. were down £950,000 compared with December 31. Shareholders' funds increased £877,000 to £7.66m. due to retained profit *and loan stock conversions, while* net current assets are up £297,000 to £4.31m.

	Half-year 1975 £000	Half-year 1974 £000
Turnover	26,351	23,895
Trading profit	950	*[illegible]
Trade invest. income	133	127
Interest paid	343	547
Profit before tax	740	582
Taxation	366	279
Minority	1	1
Attributable	373	302
Interim dividend	91	[illegible]
Retained	282	217

* Attributable to companies sold or closed down, £107,000.

Earnings per 10p share are given as 0.828p (0.72p) and fully diluted 0.838p (0.67p). The interim dividend is held at 0.2p—the 1974 final was 0.3p.

Trading by the distribution companies has been satisfactory and market penetration improved in some sectors. On the manufacturing side, there was a good level of component sales to the aircraft industry, and demand for domestic warm air heaters was reasonable. In the circumstances sales to the motor industry held up well.

On prospects the directors state that sales opportunities, *particularly in the radio and elec*trical fields, must be limited but the present trends are satisfactory in the broad motor sector *of* the distribution business and this is the major part. Overall *prospects for manufacturing are* encouraging.

The application of the trading and management practices which have resulted in the steadily improving financial position "should ensure continued progress."

Dana Corpn. of America has a substantial holding in Brown.

● comment

Brown Brothers jumped a tenth to 8½p yesterday despite an unchanged interim dividend, and the key lies in another steady improvement in the group balance sheet. Thus net debt halfway through 1975 is £1m. down on end-1974 levels at £6.09m. whereas shareholders' funds have been maintained at £6.3m.; net assets have edged up to £4.3m. As for actual trading, the volume background remains very stodgy with a 17 per cent. comparable rise in sales virtually all inflation based, and the rise in profits before tax to date springing solely from reduced interest charges. For the year as a whole BB should top £1.4m. which would lift cover for an historic 9.2 per cent. dividend to more than three times.

Statement, Page 18

MINING NEWS

Now Minorco feels the draught

BY KENNETH MARSTON

INEVITABLY, the cold winds that are still chilling earnings of the world's metal producers have made their impact on the Anglo American group's Bermuda-registered Minerals and Resources Corporation (formerly Zambian Anglo-American). Net profits for *the year to June 30 have dwindled* to $U.S.11.74m. from $29.65m. and the final dividend is cut to 6 cents, making a year's total of 14 cents (costing $4.43m.), against 70 cents.

In addition, however, Minorco has declared first dividends totalling $5.8m. on its "A" shares of which *Anglo American holds* some 29 per cent. and Charter Consolidated 20 per cent.

The revenue for this distribution comes from Minorco's 30 per cent. holding in Engelhard Minerals and Chemicals. Under the Minorco expansion deal dividends on the "A" shares are restricted for two years starting on July 1, 1974, to income received from the Engelhard holding.

So what is the outlook for public shareholders in Minorco for *the current year? They can only* hope that a revival in the copper price will improve the parlous fortunes of their company's stake in Zambian copper which comes via the 49.98 per cent. holding in Zambia Copper Investments.

This also applies to the 12 per cent. stake *in America's Inspira*tion Copper. Possibly more hopeful is revenue from the sizeable investment in the U.S. oil and gas company Trend Exploration. But, in all, it seems that Minorco holders must steel themselves for another uninspir*ing year.* The shares closed 4p off at 250p yesterday.

CAUTION FROM BHP

Despite the details in the Broken Hill Proprietary report showing that the Australian giant is bent on expanding its mining activities, the company's chairman Sir Ian McLennan said in Perth yesterday that no major mineral developments were going ahead in Australia at present other than extensions of existing operations.

He said that several large projects had been deferred while others were thought to be uneconomic under to-day's con*ditions owing* to inflation. In addition, several companies had stated that some of their existing installations would not be feasible at to-day's prices.

Sir Ian noted that exploration and development activity had fallen off markedly in recent years but he still hoped that there would be further development of bauxite and alumina, nickel, minerals sands, copper, coal, iron ore and manganese.

Two developments being investigated in Western Australia were the $9bn. Pilbara industrial complex and a large steel plant *estimated to cost about $3bn.*

MIM to raise £30m.

BIG NEW CAPITAL raising plans are announced *by* Australia's MIM Holdings which, as *detailed* here on Wednesday, has made sharply lower profits for the year to June. Funds of $50m. (£30.2m.) are to be provided as back-up finance by a consortium of Australian banks led by the Bank of New South Wales.

They will be drawn down as required and will supplement the private placement of $U.S.85m. (£40.2m.) 10⅞ per cent. notes made in America earlier this year. Cautiously, and no doubt bearing in mind the low level of metal prices and the currently adverse political situation in Australia, the company states that it has no immediate plans to proceed with capital projects under consideration.

The new financing arrangements have been formulated to meet ongoing expenses and "to enable development to go ahead immediately economic circumstances permit." MIM lost a further 4p to 202p yesterday.

NCWA RESTS CONTENT

In the annual report of the Anglo American Corporation group's New Central Witwatersrand Areas the chairman, Mr. J. Ogilvie Thompson, expresses his happiness with the company's invested position, so much so indeed that in the year to June there was only a minor alteration in the portfolio and that was through a rights issue by South African Coal Estates (Witbank).

The investments are predominantly in South African mining finance companies and gold and base mineral prod... *In the light of this the* cha... expresses the view that expected economic recove... industrialised countries is ... to have a beneficial effe... companies operating in ... industries thereby ensuring ... tinuation of NCWA's "satisf... profit performance."

In the year to June ... earned 19.40 cents a shar... paid out 19 cents (12.6p)... asset value at August 15 w... cents (222p). In view o... week's golden shake-out ... figure may now be som... lower. Yesterday in Lond... shares were quoted at 225... premium.

SUNGEI BESI'S PROSPECTS

A fuller explanation ... prospects was given to ... holders at the annual meet... London yesterday of the C... Consolidated group's Ma... Sungei Besi tin mine. The ... man, Mr. J. G. Rich... confirmed that profitable... tions and dividends could ... expected for the next two ... owing to the opencast rese... the No. 3/5 area being ... tially lower than expecte... that a life estimate of only ... six years could be placed ... mine as a whole.

A detailed reappraisal h... been carried out and ... schemes, including the ... tions of closing the mine ... earliest feasible date, hav... examined. It has been d... that operations in the ... section of the 3/5 mine ... curtailed and work will b... centrated in the south-wes... of the "B" section. At th... time, the opening up of th... Fatt section will proceed ... other smaller production ... will be worked as schedule... these operations will ... *finance* from reserves.

The chairman still expec... output for 1975-76 will be ... than in the previous ye... says that the continuation ... existing International Tin ... export restrictions will h... effect on profitability. Of ... *the present life and* ... estimates would be chan... there were any marked ... movement in the metal ... Yesterday Sungei Besi ... unchanged at 45p.

BIDS AND DEALS

HANSON 21% STAKE IN WHITECROFT

Hanson Trust announces that it has acquired, as an investment, 1,611,625 Ordinary shares in Whitecroft (21.53 per cent.).

The Whitecroft shares closed yesterday unchanged at 79p. In *June of this year, it announced* profit before tax of £3.27m. (against £3.15m.) for its year to March 31.

Earlier, in March, the Slater Walker Group revealed that together with investment trusts, unit trusts and fully discretionary investment clients, it had an interest in 1,611,625 shares.

STOCKPORT CEMETERY

The Board of Stockport Borough Cemetary, advised by Baring Brothers and Co., has written to *shareholders urging them to re*ject the offer by Dundee Crema*torium and to vote in favour of* voluntary liquidation at an extraordinary meeting on September 19. Directors of Stockport, who together hold 11,081 shares, will reject the offer.

Among the reasons for advising rejection, the directors of Stockport say the cash offer *of £3.35* per share is totally inadequate as holders would receive at least £3.80 following liquidation.

W. RIBBONS BUYS MORE AUTOLIV.

W. Ribbons Holdings has acquired a further 30 per cent. of Auotoliv GmBH for approximately £267,000 and Bank of England approval has been given. It now has control of 80 per cent. of the company. The *estimates* that Autoliv profits for 1975 will be a £276,000.

SHARE STAKES

Charente Steam Ship a... a further 10,000 Barco ... Ordinary on August 8. ... holding now 1,230,000 ... (about 19.39 per cent.).

Garford-Lilley Industrie... been notified by C. P. Cho... Sons and Partners that the ... sold their entire holdi... 1,125,000 (10 per cent.) sh...

Empire Plantations and ... ments has made a furthe... chase of 10,000 Ordina... LK Industrial Investments, ... a total now held of 440,0... per cent.) shares.

INTERIM STATEMENT

Derek Crouch (Contractors) LIMITED

Opencast mining, building and civil engineering contractors, distributors of compressed air and materials handling equipment

Interim Report *for the six months ended 30th June 1975*

	6 months ended 30.6.75 (unaudited) £'000	6 months ended 30.6.74 (unaudited) £'000	12 months ended 31.12.74 (audited) £'000
Turnover	11,043	7,850	17,860
Profit before Tax	209	422	933
Tax @ 52%	105	222	461
Profit after Tax	104	200	472
Earnings per Share	1.07p	2.14p	4.99p
Shares Issued (20p each)	9,699,217	9,333,330	9,465,562

Unusually high pay settlements, the cut-back in public spending and continuing inflation have reduced our profits to 30th June 1975 to a disappointing level.

Opencast coal mining has made a negligible contribution to profits.

The constant search for greater efficiency continues with an even more vigilant eye, but no accurate forecast as to the final results for 1975 is possible at this time.

Our liquidity position continues to be strong and the property investments are coming on stream.

The Directors recommend the payment of an interim dividend for 1975 of 0.9382p per Ordinary share payable on 2nd January, 1976 to shareholders on the register at 10th November, 1975. This, together with the tax credit, is equivalent to that paid for the previous year taking into account the increased issued share capital. The total amount payable to shareholders would be £91,000 (1974 – £93,800) but Mr. D. C. H. Crouch has waived dividends amounting to £10,947 representing 99% of his personal entitlement leaving a net amount payable of £80,053.

3rd September, 1975

D. C. H. CROUCH
Chairman.

Head Office: Peterborough PE6 7UW
Telephone: Peterborough 222341 Telex: 32129

NOTICE TO HOLDERS OF 4¼% CONVERTIBLE GUARANTEED DEBENTURES DUE 1987 OF AMERICAN EXPRESS OVERSEAS FINANCE CORPORATION

Pursuant to Section 3.05 of the Indenture, you are here... notified as follows:

1. American Express Company has declared a divide... on its Common Shares payable in shares of common stock ... Donaldson, Lufkin & Jenrette Inc. ("DLJ"). Such divide... will be payable in the approximate ratio of one share of DL... common stock for each 36 Common Shares of Americ... Express Company, except that shareholders of Americ... Express Company otherwise entitled to a minimal number ... DLJ shares will instead receive in cash the fair market val... of such shares as of the dividend payment date.

2. The date on which a record is to be taken for th... purpose of such dividend is *September 17, 1975.* Payment ... the dividend is subject to receipt of any Securities an... Exchange Commission or other governmental approvals tha... may be required.

September 5, 1975.

American Express Compan...

هكذا من الأصل

Arthur Bell profit down £0.2m. midway

MORE THAN doubled interest charges and higher depreciation has hit Arthur Bell and Sons in the first half of 1975.

As a result on sales £8.3m. higher at £31m., the profit before tax has contracted from £1.62m. to £1.43m. Latest figures include Canning Town Glass Works.

External sales of Scotch whisky rose from £22.75m. to £27.19m. But the cost of financing both capital expenditure and increased stocks left the profit £307,000 down at £1.3m.

Mr. R. C. Miquel, chairman, says home sales turnover at £23.6m. was £4.7m. above 1974. Sales volume of Bell's Scotch whisky during the same period increased by 10 per cent. compared with an industry rise of 1 per cent. Export sales of £3.4m. were below the £3.7m. achieved in 1974. Primarily due to a substantial fall in volume of shipments to Italy.

The distilleries have worked to capacity producing an output of 2.1m. proof gallons (1.3m.). Present view of future sales prospects indicates the necessity to continue operating the distilleries to a maximum capacity if "we are to avoid a shortage of available mature whisky in the years ahead."

Both home and exports prices of Scotch whisky have been raised during 1975 and these have gone a long way towards offsetting accumulated cost increases. Profit earned on Scotch Whisky on the second half of 1975 will depend upon the level of demand in the home market—to date, sales continue to be buoyant and indications are that profit for the full year 1975 will be similar to the 1974 level.

First half profit from Canning Town Glass amounted to £133,000 and compares favourably with the previous £32,000. The increase is due primarily to the improved operating efficiency achieved from the £1m. capital expenditure at the Queenborough factory. A £1.5m. programme is currently nearing completion at Swinton and this will finalise the £2.5m. investment in Canning Town Glass carried out over the past 15 months to re-equip and modernise the two factories.

	Half year 1975 £000	1974 £000
Turnover	31,109	22,756
Scotch whisky	27,192	22,756
Glass	3,917	—
Trading profit	2,788	2,150
Depreciation	272	130
Investment income	4	5
Loan interest	1,096	405
Profit before tax	1,434	1,617
Scotch whisky	1,301	1,608
Glass	173*	9
Tax	445	436
Net profit	989	1,181
Outside interests	24	—
Attributable	965	1,181

* Proportion of Canning Town profit relevant to Bell's associated company interest.

Extraordinary items of £212,000 comprise expenses in connection with acquisition £94,000, discount on Debenture placing £33,000, Rights issue expenses £85,000, and have been met by a transfer from capital reserve.

On capital increased by the recent rights issue, the interim dividend is being raised from 1.94835p to 2.41443p. This takes in the whole of the increase which is permitted over the 1974 total of 5.09835p. Profit for that year was £3m.

● comment

Pre-interest profits at Arthur Bell are a fifth higher but after a swingeing increase in interest charges to a level only 15 per cent. less than for the whole of last year, pre-tax profits are 11 per cent. lower. Excluding the contribution from Canning Town Glass, pre-tax profits are nearly a fifth lower after a 30 per cent. drop in the second half of last year. Capital expenditure of over £1m. so far, and strong volume growth on a static U.K. market (about two-thirds of the company's output) again account for the deterioration in finances. While a further financing shortfall seems likely this year, volume prospects for the second half seem clouded and Canning Town looks to be heading for losses. So despite price increases in the U.K. accumulating to perhaps 340p a case this year, an export price increase of 50p per case and a modest net interest saving on the recent debenture/equity issue, the company may do well to maintain pre-tax profits for the year at £3m. Taking into account the near one-fifth increase in equity capital this year, a prospective fully-taxed p/e of 9 at 106p, where the yield is 8.2 per cent., seems high enough.

BOARD MEETINGS

The following companies have notified dates of Board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available whether dividends considered are interims or finals and the sub-division shown below is based mainly on last year's timetable.

TO-DAY

Interims:—British Vending Industries, E. C. Cases, Crane Fruehauf, *Desoutter Bros., Friedland Doggart, Matthews Wrightson, Morris and Blakey Wallpapers, Rotork.

Finals:—Blackwood Morton, Centrovincial Estates, David Dixon, Parker Timber, Scottish Homes Investment, Stewart Plastics, Tor Investment Trust.

FUTURE DATES

Interims:—

Atlas Electric and General Trust	Oct. 9
Breedon & Cloud Hill Lime Wks.	Sept. 11
Crossley Building Products	Sept. 15
Dewhirst (I.J.)	Sept. 10
Fisher (James)	Sept. 11
Home Counties Newspapers	Sept. 26
Low and Bonar	Sept. 22
Merchants Trust	Sept. 8
Montfort (Knitting Mills)	Sept. 17
Pittard	Sept. 23
Richards and Wallington	Sept. 11
Sparrow (G.W.)	Sept. 22
Wilson (Connolly)	Sept. 11

Finals:—

Audio Fidelity	Sept. 15
Chambers and Fargus	Sept. 15
Coronation Syndicate	Sept. 10
Diploma Investments	Sept. 9
Esperanza Trade and Transport	Sept. 8
Falcon Mines	Sept. 9
Grimshawe	Sept. 8
Honfray	Sept. 30
Jentique	Sept. 15
Ricardo and Co. Engineers (1927)	Sept. 16
Tweefontein United Collieries	Sept. 10
Walker (Thomas)	Sept. 10
Zetters	Sept. 10

* Amended.

Garnar Scotblair

Profit of tanners and leather merchants, Garnar Scotblair, decreased from £256,000 to £243,000 in the half-year to July 31, 1975, subject to tax of £106,000 against £111,000. Pre-tax profit for all the year to January 31, 1975 was £541,000.

The interim dividend is raised from 0.925p to 1p net per 25p share. While it is difficult to make a realistic forecast for the second half, the directors are reasonably optimistic and confidently anticipate recommending the maximum permissible final dividend (1.114p for 1974-75).

Magnolia maintains profits

FIRST HALF 1975 sales of Magnolia Manufacturing increased by 6.6 per cent. to £1.38m., while pre-tax profit was maintained at £0.28m., despite rapidly escalating costs, the directors report.

There are some indications of an up-turn in trade, but it would be "dangerous" at this time to make a positive assumption with regard to the future. The directors' view is that conditions in the industry will continue to be difficult, but they are hopeful that in the full year similar profits to last year's £0.51m. may be achieved.

The cash flow position is healthy and "we are well placed to continue our progress as trading conditions improve," they add. The company manufactures fine art mouldings and imports original oil paintings.

Earnings per 10p share for the first half year were unchanged at 7.57p. The interim dividend is stepped up from 0.63p to 0.6723p net—last year's total was 2.0576p.

	Half year 1975 £	1974 £
Sales	1,384,000	1,295,000
Profit before tax	280,003	289,300
Taxation	145,600	145,500
Net profit	134,400	134,040
Dividends	11,927	11,176
Retention	122,473	122,864

Sharpe & Fisher

ON SALES up from £3.99m. to £4.78m., partly reflecting inflation, first-half 1975 profit of builders' merchants, etc., Sharpe and Fisher, decreased from £340,515 to £304,161, subject to tax of £158,161, against £177,515.

The chairman, Mr. K. J. Fisher, says it is impossible to forecast confidently the full year's result; but past performances give hope for a result which will again show the company in a favourable light compared with similar companies in the trade. Profit for the year 1974 was £692,819.

As before the interim dividend is 0.7p net per 25p share. Last year's total was 1.8184p.

APPOINTMENTS

New chief for Watney Mann & Truman Brewers

Mr. Allen J. G. Sheppard has been appointed chief executive of WATNEY MANN AND TRUMAN BREWERS, the production, distribution, marketing and sales arm of Grand Metropolitan's brewing division. He replaces Mr. Simon Threadgill, who is retiring early on medical advice, though he will remain for a period as a Board member of both Watney Mann and Truman Brewers and of Watney Mann and Truman Holdings. Mr. Sheppard will become a Board member of both these companies and of Grand Metropolitan.

Men and Matters, Page 16

★

Mr. Harold Bamberg has been appointed a director of MITCHELL COTTS INTERNATIONAL AIR-FREIGHT.

Men and Matters, Page 16

★

Mr. A. A. Jarratt, has been appointed a director of ICI. Mr. Jarratt, who is chairman and chief executive of REED INTERNATIONAL, will act as a non-executive director.

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The Board of the BRITISH AIRPORTS AUTHORITY has appointed Mr. Christopher Burnley financial director following the retirement of the BAA's financial controller, Mr. Keith McLeod, last March.

★

Mr. Gerard E. D. Bonham-Carter has been appointed a director of CHARTERHOUSE JAPHET. He will take charge of a newly-formed company, CHARTERHOUSE JAPHET EXPORT FINANCE with the objective of expanding the bank's services to UK exporters including short, medium and long-term finance. Mr. Bonham-Carter, previously a director of Brandts Export Finance, is chairman of the British Export Houses Association and a member of the Council of the London Chamber of Commerce. He is also on the Committee on Invisible Exports.

Also joining the board of Charterhouse Japhet Export Finance are Mr. Brian E. Levy and Mr. David W. Smith, formerly with Hovermarine and Brandts respectively.

★

Mr. Stanley Johnson, managing director of the BRITISH TRANSPORT DOCKS BOARD, will retire at the end of the year when his term of office as a Board member expires. He has served for 15 years with the Board and its predecessors. The Minister for Transport has appointed Mr. J. Keith Stuart, at present Secretary to the Board, a member of the Board as from January 1, 1976. The Board has also appointed Mr. Stuart general manager following Mr. Johnson's retirement.

★

Mr. C. H. Barnes has resigned as chairman of MEAKERS due to continual ill health, and Mr. S. J. Tindall has been appointed chairman. Mr. A. P. Wolf has retired and resigned as a director. Mrs. J. E. Golding and Mr. P. T. James have been elected directors.

★

Mr. Warwick N. Squire, chairman of Dowty Rotol, additionally has been appointed deputy chairman of DOWTY BOULTON PAUL, Wolverhampton.

★

Mr. Peter Lake has joined the NIKKO SECURITIES CO. (EUROPE) as Eurobond manager. He was previously with Bank of America Intl.

★

Mr. R. A. Pollitt has been appointed regional executive director of NATIONAL WESTMINSTER BANK'S South-West Region, succeeding Mr. A. E. G. Brain, who retires on September 30. Mr. Pollitt has been assistant regional director since February and previously held a similar appointment in the Eastern region. His successor as S.-W. Region assistant regional director is Mr. R. A. Bramall, Bristol Area manager since 1973.

★

Mr. Frank Dixon has been appointed a local director for the Southampton District of BARCLAYS BANK.

★

Mr. Peter J. Molony has been appointed finance director of SCOTTISH AND NEWCASTLE BREWERIES.

★

Mr. J. S. Kennedy, has been appointed managing director of BARKER ELLIS, a member of the Pentos Group.

★

Mr. Ronald T. Booth has been appointed director business development—Europe for EATON CORPORATION. Mr. Booth, formerly managing director of the Axle division of Eaton, will be located at Eaton's European headquarters at Hounslow.

★

To provide support services for all its overseas activities SIR ALFRED McALPINE AND SON is to form SIR ALFRED McALPINE (INTERNATIONAL), the directors of which will be Mr. R. J. McAlpine (chairman), Mr. P. H. Bell, Mr. M. S. McVey, Mr. M. J. Sutherland (managing), Mr. D. R. Spray, Mr. J. B. Quigg, and Earl Lloyd George. Mr. Sutherland, as managing director, will continue to maintain close personal interest in McAlpine's operations in Portugal.

★

Mr. William S. Barnard who has for some years worked in the London office of ARTHUR ANDERSEN AND CO., the management consultancy firm, has been admitted to the partnership.

★

Mr. J. Stanley Mitchell has been appointed vice-president for operations of AMAX NICKEL DIVISION.

★

Mr. A. J. Cain has been appointed deputy regional commissioner for the South Eastern Region of the NATIONAL SAVINGS COMMITTEE from October 1.

★

Mr. J. Heaton, managing director of CLARKE CHAPMAN'S THOMPSON WOLVERHAMPTON DIVISION, is to take up the new post of Product Policy Director, Sub-Group 1. He will continue as managing director until September 22.

★

Mr. Gordon Armistead, formerly divisional director of the ferrous division of LEIGH AND SILLAVAN, has joined the Board of LEIGH AND SILLAVAN.

INTERNATIONAL COMPANY NEWS + EURO MARKETS

HK Bank steamrollers its way to victory at HIL meeting

BY PHILIP BOWRING

HONG KONG, Sept. 4.

IN ITS OWN inimicable way, the Hongkong and Shanghai Bank to-day steamrollered its way to victory at the extraordinary general meeting of Hutchison International. HIL shareholders *were called to decide the bank's* offer to subscribe HK$150m. in new capital, provided it was at $HK1 par, and that the Bank has the right to appoint a new chief executive and two other directors.

The packed and lively meeting began with an attempt to have the second item on the agenda —a Board proposal for an increase in the authorised capital *which would enable a rights issue* to be made to existing shareholders — put prior to a decision on the bank offer. This appeared to have majority support until former HIL deputy *chairman Denis Lyth read from* a confidential letter from Bank Chairman Guy Sayer that such a move would prejudice the offer. In other words, the bank was determined that share*holders should not have the pos*sibility of subscribing to a rights issue at the same price. Presumably it feared a snap rights issue which would endanger its effective control. *Convinced by Lyth that to* endanger the offer would be to endanger the continued existence of the company, shareholders agreed to vote on acceptance first, which was carried by a very large majority on a show of hands. The second item—increasing the authorised capital —was then voted and approved on a show of hands by almost all those present. However, at this point a representative of the Hongkong Bank demanded a poll.

The result was 49m. votes against, 32m. for the motion. But 42m. of the 49m. was accounted for by Hongkong Bank nominees. The HIL chairman asked the HK Bank representative five times whether the bank had the authority of the beneficial owners of the shares held in HK Bank nominees to vote in this way. And five times the HK Bank representative refused to give an answer. Neither did the bank attempt to justify the *position it had taken.*

So now the bank has control of HIL and will go ahead, with Mr. Bill Wyllie as chief executive and with the reconstruction of HIL which is likely to include the axeing of loss-making subsidiaries.

But the whole affair has been conducted in a manner in which solid information has been at a discount. HIL's accounts were unsatisfactory in many respects, but so too has been the failure of the Hongkong Bank to justify the figure of $HK1.30 which it has put on HIL's net asset value *per share (which compares with* HIL's own March 31 figure of $HK2.59).

Hong Kong has just acquired *a Takeover Code. Though there* is some question whether the Code applies in this case there is no record that the matter has been brought before by the *Takeover* Committee, *on which* the HK Bank is represented. Under the London Code, on which the HK Code is based, it definitely would fall within its scope. Another factor which has arisen is obvious bitterness between the HK Bank and Sir Douglas Clague—a deputy chairman of the Bank. Yesterday the Bank inserted a notice in the Press saying that HIL had not revealed that one of the conditions of the offer was that Clague would disassociate himself from the management of the group.

It was already apparent that Clague's effective authority would be eliminated by the appointment by the bank of a chief executive with full executive powers. In fact the bank, in its original *announcement of takeover terms,* never mentioned Clague disassociating himself. Nor did the bank reveal the further term, revealed by Lyth, contained in Sayer's confidential letter—that the offer would be jeopardised by prior approval of the capital increase.

A further interesting point has been raised by the latest issue of the *Far Eastern Economic Review*. It pointed to the requirement of the Hong Kong banking ordinance that a bank could not hold shares in other companies (except, where specifically authorised, in other Hong Kong licensed banks) exceeding 25 per cent. of a bank's issued capital and reserves. The Hong Kong Bank has official revealed capital and reserves of $HK1.72bn. plus undisclosed reserves. It already has big holdings in, among others, Jardine Matheson, World Wide Shipping Group, British Bank of the Middle East, Cross *Harbour* Tunnel, South China Morning Post and Cathay Pacific. The Review said that it had been assured by the government that the HIL acquisition would not take it over the limit, but only after reference to a section of the Act allowing acquisition of shareholdings in the "course of satisfaction of debts."

Although to-day's meeting contained more *drama* than *enlightenment*, the Board did reveal some new facts about the crisis facing HIL. A sum of $HK226m. was required to meet obligations arising between now and the end of *December. This excluded the* Alltrak liabilities—which could amount to a maximum $HK92m., and $HK96m. due to a creditor (un-named) in the U.K., who would demand payment were the Hong Kong *Bank* offer not approved. All this showed more clearly than ever the impossible position into which HIL has got itself.

Cyclone recommends Boral bid

BY JAMES FORTH

SYDNEY, Sept. 4.

BORAL TO-DAY won the takeover struggle for Cyclone Company of Australia, and at the same time reported a healthy gain in group earnings for 1974-1975.

Cyclone directors changed their earlier advice to reject the Boral offer after Boral announced its market buying had lifted its shareholding in Cyclone to 33.2 per cent. of the Ordinary capital and 12.85 per cent. of the Preference capital. The Cyclone Board said it still believed the bids of $A2.10 cash or five Boral shares for four Cyclone were below the true worth of Cyclone shares. But with the bidder Cyclone favoured, ARC Industries, blocked by the Trade Practices Commission, they felt Ordinary shareholders would end up in a minority situation by holding on to their shares.

They now recommend that shareholders accept one of the Boral offers. "The Board regrets having to recommend that you take the foregoing courses of action and sincerely thanks you all for your support, particularly during the past few months," they added. Cyclone directors have accepted cash for their Preference Shares and will take "one or other" of the bids for their Ordinary scrip.

Softening the blow, Boral today reported a 23.9 per cent. lift in its profit, from $A7.3m. to $A9.0m. Earnings of its publicly listed 84 per cent.-owned subsidiary, Boral Basic Industries, rose 29.5 per cent. from $A4.1m. to $A5.3m. Dividends of both companies are held at 12.5 cents a share.

Boral's result was covered by earnings of 19.3 cents a share, while Boral Basic's was 21.8 cents.

Winthrop has 24.6% of Winns

BY JAMES FORTH

SYDNEY, September 4.

WINTHROP INVESTMENTS to-day picked up 8 per cent. of the capital of retailer Winns, sharply improving its prospects of winning its fight to acquire the company. Winthrop bought 302,376 shares at its offer price of $A1.10 a share, lifting its holding in Winns to 24.6 per cent. of the capital.

The identity of the seller is unknown but it appears the parcel came from one of the parties which has been buying heavily in the market over the past week. It is suggested that the seller was associated with national retail chain Waltons. Winns shares changed hands at prices up to $A1.31 last week but the bulk of the parcel would have *been obtained at much* lower prices.

Winthrop is worried that Winns will delay registering its recent purchases and that shares which it beneficially owns may be voted against it next week. The situation is further complicated because Winns shares have a sliding voting scale and maximum voting power can be obtained by splitting holdings into lots of 100 shares. Winns has opened a branch register at Darwin, where no stamp duty on transfers is involved, and has already split more than 850,000 shares, of which at least 600,000 are considered "friendly."

Winthrop sought an undertaking in writing from Winns to process its transfers also and was told the Winns Board would act in accordance with its legal *obligations but the limited time* available made it difficult.

Winthrop has therefore opted for the more costly procedure of seeking to split its holdings on the NSW register.

In a further development Burns, Philip announced the sale of seven more stores for $5m. to another NSW retailer, J. B. Young Holdings. The deal is similar to that of Winns: J. B. Young will issue 2.5m. shares to Burns Philp at $1.10 a share, and a $1m. debenture.

Burns, Philp will retain the freehold properties involved, leasing them to J. B. Young on a long term basis with an option to buy any, or all, at present valuations, totalling $A7.47m. for the first three years, and at revised valuations for the next two years. Burns, Philp said it rejected a conditional offer for *its entire retail chain from* a large national retailer in favour of the firm bids from Winns and J. B. Young.

Strong gain by Massey Ferguson

By James Scott

TORONTO, Sept. 4.

MASSEY FERGUSON appears headed for record sales and profits in the year ending October 31. For the first nine months of the fiscal year sales were $C1.68bn. compared with $C1.23bn. a year earlier. Profit was $C52.7m. up from $38.6m.

Sales of the company's major product lines, including parts, continued at record levels during the nine-month period. Farm machinery sales rose 36 per cent., industrial and construction machinery sales were up 40 per cent. and engine sales increased 42 per cent.

All major market areas showed sales gains, the most significant being 97 per cent. in Asia, 63 per cent. in Latin America, 51 per cent. in Africa and 39 per cent. in Europe. North American sales were ahead 16 per cent.

Retail demand in North America for large tractors and combines has continued to exceed production capabilities of the company and has more than offset the market softness for some other products such as hay harvesting machinery and industrial and construction machines.

The company added that for the remainder of the year the world-wide outlook for farm machinery and diesel engines remains strong and will require production at full capacity. *Demand for industrial* and construction machinery, however, is unlikely to improve significantly during the remainder of the year, although there are signs of a modest upturn.

Pemex plans $300m. Euroloan

By Mary Campbell

THE NEXT big Mexican loan in the Euromarket will reportedly be for Petroleos Mexicanos (Pemex). The loan will be for at least $300m., market sources suggest. The maturity will be five years and the spread 1½ per cent.

The loan is being arranged by nine banks, including almost all the biggest U.S. banks.

It is believed that syndication will not start until completion of the Nacional Financiera's $150m. borrowing. This is expected soon with signing *possibly taking place at the end* of this month, though an October date would appear to be more likely.

*

The Bulgarian Foreign Trade *Bank has signed medium-term* Euromarket loans totalling $40m. this week, market sources say. One loan of $30m. for five years was arranged by a group of banks headed by Wobaco, while another of $10m. was arranged by Brandts.

*

Asahi Chemical has announced plans for a $30m. convertible Eurobond issue in November or December, Reuter reports from Tokyo.

The debenture would probably carry an option allowing redemption at a premium before *maturity, a company spokesman* said. The issue is still subject to approval by the Japanese authorities.

From Kuala Lumpur Reuter reports that Malayan Banking *Berhad said it has taken a 20 per* cent. stake in the Arab-Malaysian Development Finance Corporation which was inaugurated in Kuala Lumpur to-day with a paid up capital of $Ma.5m. The corporation will serve as a vehicle for foreign funds to be channelled for investment in Malaysia, it added.

The other shareholders in the corporation are Malaysian Industrial Development Finance and Arab Investments for Asia (Kuwait).

Alfa-Laval expects drop in earnings

By John Walker

STOCKHOLM, Sept. 4.

ALFA-LAVAL, the Swedish dairy equipment manufacturer, states in the interim report for the first six months of this year that sales rose by 20 per cent. when compared with the same period in 1974 to a total of Kr.1.7bn. (£161m.). The profit before appropriations and taxes amounted to Kr.140m. compared with Kr.130m. in the same period in 1974.

The order intake amounted to Kr.1.9bn. (£217m.) at mid-1975 —approximately the same level as at this time last year. Deliveries for the whole of this year are expected to be some 15 per cent. higher than last year.

The profit in the second half of 1975 is likely to be somewhat lower than in the first half, the company says. The total profit for this year is likely to come out at about the same level as in 1974, due largely to increased costs.

Enka rules out dismissals

AMSTERDAM, Sept. 4.

PRESS SUGGESTIONS of up to 13,000 dismissals arising through reconstruction of Akzo's Enka Glanzstoff unit can be fully ruled out providing talks with the unions continue normally, Enka executive board vice chairman J. Van den Direst said.

Such dismissals would only occur if the company continued to lose millions of guilders, and are considered as a last resort, he said in the company journal.

Reuter

Jardines capital injection will improve Rennies liquidity

BY RICHARD ROLFE

THE FORMAL documents for Jardine Matheson's acquisition of 51 per cent. of Rennies Consolidated provide official confirmation that one of Rennies' main motives in seeking a partner was to ease liquidity problems which have been quietly building up in recent years. These, in part, arise from the rapid pace of expansion and in part from problems over remittability of earnings. The documents show total net indebtedness of R41.9m. at July 31 against Ordinary shareholders' funds of R19.8m. at June 30 and market capitalisation, ahead of the issue of shares to Jardine, of R39m. with the shares 275 cents.

The Rennies directors' formal recommendation of the offer mentions the group's record of growth since its 1968 listing, but points out that it has not been achieved "without an increasing *degree of strain on our financial* resources and the support of our bankers." They add that while the increases in resources resulting from the injection of R17.5m. from Jardine by sub*scription for* R7m. new shares (on top of the R14.2m. in issue) at 250 cents "will enable Rennies to accelerate its expansion programme," some dilution of earnings could be experienced *in the current financial period.* This is because "the funds obtained from the issue of new shares are likely to be employed initially in the reduction of short-term borrowings." The *directors consider, however,* that the long-term increase in earnings per share will more than offset any such temporary reduction.

Rennies will change its year *end from June 30 to December* 31 if the offer becomes unconditional to reflect control by Jardine, which would end up with 53 per cent. of Rennies by virtue of its simultaneous offer to acquire *30 per cent.* of existing shareholdings at 350 cents per share cash. Acceptance above 30 per cent. may be tendered but will only be accepted to the extent that there is a shortfall from the level *of 30* per cent. of all shareholdings.

With the next accounting period likely to run to December 31, 1976, interim profit and dividend declarations will be made next March *and* September, and the documents forecast "no significant change in the proportion of profits distributed to shareholders by way of dividends." In Rennies year to June 30, earnings per share were 49.5 cents and dividends 20 cents. On a 50 per cent. increase in issued share capital, however, the fall in earnings could be quite until redeployment of the injection is achieved.

The 11-man board, whi cluded a representative o stantial shareholder GFSA be expanded to include Mr. Newbigging and two othe dine nominees. The Re board has, it says, obt "satisfactory assurances th existing management (und Clarkes Fiddian-Green) wi tinue unchanged and will ate independently within lished policy and financial meters." Meanwhile, at 275 allowing for the cash off 350 cents per share for 3 cent. of shareholdings, the ket is indicating a price of 245 cents for the balan shareholdings once the d completed.

Record profits for Mitchell's South African offshoot

BY RICHARD ROLFE

JOHANNESBURG, Sep

MITCHELL COTTS, the South African quoted subsidiary of the Mitchell Cotts group in London, has achieved *record profits for* the year to June 30, with the pre-tax level up from R7.2m. to R8.8m. for earnings 15c to the good at 49c. The figures are consolidated by the U.K. parent, which holds 80 per cent. of the Johannesburg listed shares.

After R165m. for the year to June 1974, turnover has probably now topped R200m. and several major contracts will help boost the figure during *1975-76.* The wholly-owned subsidiary Fraser and Chalmers has work valued at R35m. for a chrome plant jointly own General Mining and Carbide in the Eastern Tra and another R10m. for th De Beers diamond mi Letseng in Lesotho.

The rest of the group, i *ing shipping,* transport storage, has been hit by fuel costs and would p lose out on any attempts imports if the economy down any further. The were 120c at the clos changed on the results de dividend 2½ better at 10c

Interfood profits collapse

BY JOHN WICKS

ZURICH, Sep

CONSOLIDATED PROFITS of the Swiss Interfood group, which includes the Suchard and Tobler confectionery concerns, dropped sharply last year to Sw.Frs.8.17m, compared with Sw.Frs.22.6m. in 1973. Group turnover, which would have expanded by 18.5 per cent. at unaltered exchange rates, grew in terms of Swiss francs by only 4.9 per cent.—to Sw.Frs.1.08bn. (1.04bn.)—while individual group companies recorded a marked reduction of profit margins.

The overall fall in subsidiaries' profits is attributed by the parent company Interfood SA of Lausanne, to record price levels for cocoa and sugar as the main ingredients for chocolate, a slowing down of retail sales and what the company calls the impossibility of adapting sales prices. A further negative element is given as the increased interest rates for bank loans.

The holding company itself *recorded a slight increase in its* profits for the financial year ended March 31 to Sw.Frs.7.54m. (7.42m.) and is to pay unchanged dividends of Sw.Frs.20 per A share and Sw.Frs.100 per B share. The group investment *programme slowed down,* however, with 1974 expenditure of Sw.Frs.37.5m. comparing with that for the previous year of Sw.Frs.46.3m. and coming close to the depreciation total of Sw.Frs.36m. (34.2m.).

Plans for geographical expansion and product diversification were continued despite the unfavourable market conditions. In Brazil, a factory for chocolate and sugar products is being built by Companhia de Produtos Alimentares e de Chocolate, a Sao Paulo-based joint venture of Interfood and local interests. In France, *Interfood acquired con*trol of two medium-sized preserved-food companies whose activities are intended to be developed, particularly in co-operation with an Interfood-controlled Spanish company specialising in the cultivation and preserving of quality vegetables.

Elsewhere, the Swiss concern acquired the participation of Associated Biscuit Manufacturers in the capital of Chocolat Tobler Meltis, of Bedford, now a wholly-owned Interfood subsidiary whose activities are to be more closely co-ordinated *those of the British Sucha* Tobler affiliates. In Austri April, the group acquire Mirabell/Rajsigl compa Groedig, a manufactu chocolate confectionery a cuits, and with it an im holding in the salt-biscu snack producer Wolf, a Groedig. In Switzerland Interfood's non-chocolate ties have been *regrouped* the newly-formed co Ardal, of Peseux.

The two major Swiss diaries, Chocolat Sucha Neuchatel, and Chocolat of Berne, recorded sal creases last calendar yea and 12 per cent., respe Among the leading foreig sidiaries, Suchard Cho Welwyn Garden City, re a 30 per cent. rise in tu "and would have shown able returns had it not b an extraordinary exchan loss." while Chocolat Meltis booked a 21 per ce in turnover; although wel on the previous year, its are considered satisfact view of present condition.

GB-Inno-BM short of target

BY DAVID CURRY

BRUSSELS, Sep

THE LEADING Belgian retailing group GB-Inno-BM saw sales fall below expectation in the first half of its current financial year. *In the six months ending* on July 31, turnover was 8 per cent. up at B.Frs.25.8bn. This is *half* the rate of increase over the whole of the previous financial year when the group registered a 16 per cent. sales rise to B.Frs.50.5bn. (£525m.). However, it follows the pattern of the previous year when initial *hopes of a 19 per cent.* sales gain expressed in the early part of 1974 were gradually eroded. The half year turnover was earned on a slightly increased sales space than in 1974.

Continuing the pattern of last year, the 39 hypermarkets *again* had the best performance with an 11 per cent. turnover improvement against a 20 per cent. sales increase in 1974 when they accounted for almost half of total turnover. The 149 super*markets were* 10 per cent. up in the half year against a 14 per cent. gain over the whole of the *previous* year when they accounted for a little under a quarter of sales. Department stores advanced *by 4.5* per cent. in the half-year against a 10 per cent. advance for the whole of last year when they chipped in with around B.Frs.13bn. in turnover.

Home stores retailing domestic furnishings are assuming a growing importance in the group, but account for a relatively small slice of turnover at present. *These advanced by 7 per cent. in* the half year while the city centre stores, which are also small in turnover terms, w per cent. down.

The company has not ha a forecast for the full yea *is reacting cautiously to ev* of a slight improveme August which could reflect the return from th days. Last year the group's just topped B.Frs.603m.

The retailing group note the increase in wage costs by the indexation syste weighing heavily on its situation. With more than employees whose salarie indexed, this question is standably preoccupying group. It urges the gover to stimulate consumer spe and complains that p *savings have multiplied* whi vestment and order books stagnating.

Falling exports hit Karmann

BY GUY HAWTIN

FRANKFURT, Sept. 4.

AS MOST West German motor manufacturers struggled to cope with steeply declining demand, Wilhelm Karmann, the sports car builder, pushed up both volume production and turnover last year. This was achieved despite a sharp fall in sales in the U.S., Karmann's most important export market.

Turnover increased by 15.5 per cent. from 1973's DM301m. to DM347.6m. But while production rose 23.5 per cent. to 72,941 vehicles on a volume basis, the value of output rose by only 17.9 per cent.

In its annual report, the Osnabrueck - based concern, explained that it had been impossible to off-set steep rises in costs either through savings and rationalisation measures or through price increases. Net profits reflected this and showed a 41 per cent. fall from 1973's DM3.53m. to DM2.08m.

Karmann stated that the opening months of the current year saw further falls in demand in the export market and that no short term improvement of the market seemed likely. The 1975 results, its report said, were expected to be hit by cost rises as well as increased overheads as a result of under-utilised capacity. The concern is heavily export orientated and therefore has not experienced the same benefits as most other West German manufacturers from the recent up-turn in home demand.

Last year the proportion of exports in total turnover fell from 81.5 per cent. to 70.4 per cent. Its dependence on the U.S. market is illustrated by the fact that in 1974 some 51 per cent. *of the vehicles it produced* were shipped there, compared with 67.1 per cent. the year before.

One of the main reasons for the increase in output last year was the introduction of company's new VS "Sci coupe. At the same time group phased out its fa "Karmann Ghia" series in summer.

SELECTED EURODOLLAR BOND PRICES MID-DAY INDICATIONS

STRAIGHTS	Bid	Offer
Amax 8½pc 1986	99½	100½
Ashland 8pc 1987	88½	89½
Austrasswiss 8½pc 1987	87½	88½
BFCE 9pc 1989	98	99
Borregaard 9½pc 1989	91	92
Carrier 8pc 1987	87½	88½
Conoco 8pc 1986	95	96
Consol. Foods 7½pc 1991	82½	83½
Cutler Hammer 8pc 1987	89	91
EIB 9½pc 1985	100	101
Esso 8pc 1986 Nov.	96	97
General Cable 8½pc 1987	87½	88½
General Motors 8½pc 1986	101½	102½
GTE 8½pc 1986	96½	97½
ICI 7½pc 1992	78	80
Nat. Grindlays 7½pc 1987	77	79
Pacific Light 8pc 1989	87	88
Prov. of Quebec 7½pc 1988	83	84
Quebec Hydro 8½pc 1989	96	97
Queensland 8½pc 1987	85½	86½
Scanraff 8½pc 1988	93½	94½
Shell 8pc 1986	96	97
Standard Oil (Ind.) 8½pc '88	98	99
Tenneco 7½pc 1987	85	86
Transocean 8pc 1988	95	96
TRW 8½pc 1986	95	96
Utah 8pc 1985	97½	98½
Volvo 9½pc 1983	99	100
NOTES		
Air France 9½pc 1982	100½	101½
Aus. Ind. Dev. Co. 10½pc '81	102	103
Barclays 7½pc 1976	96½	97½
Cie Natl. du Rhone 10pc '82	102	103
Du Pont 7½pc 1978	99	100
Esso 7½pc 1978	99	100
General Motors 8½pc 1976	100½	101½
Marubeni 9½pc 1982	97½	[illegible]
Nippon Fudosan 10½pc 1981	101½	102½
Skand. Enskilda 10½pc '81	102	103
Tenneco 7½pc 1979	97½	98½
Tokyo-[illegible] 10½pc 1981	101½	102½

Source: White Weld Securities.

CONVERTIBLES	Bid
American Express 4¾pc '87	82
Ashland 5pc 1988	74
Beatrice Foods 4½pc 1992	88
Beatrice Foods 4¾pc 1992	90
Borden 5pc 1992	87
Broadway Hale 4¾pc 1987	72
Canon Camera 7¾pc 1982	91
Carnation 4pc 1987	55
Chevron 5pc 1988	94
Dart 4¾pc 1987	80
Eastman Kodak 4½pc 1988	109
Economic Labs. 4½pc 1987	77
Eidai 7½pc 1989	81
Ford 6pc 1986	82
Ford 5pc 1988	71
Fuji 6½pc 1985	180
General Electric 4¾pc 1987	84
Gillette 4¾pc 1987	72
Gould 5pc 1987	79
Halliburton 4¼pc 1987	121
Harris 5pc 1992	63
Hitachi 6½pc 1984	200
Honeywell 6pc 1986	69
ITT 4½pc 1987	65
Komatsu 7½pc 1990	106
J. Ray McDermott 4¾pc '87	140
Mitsui 8½pc 1989	129
J. P. Morgan 4½pc 1987	107
Motorola 4½pc 1983	117
Owens Illinois 4½pc 1987	[illegible]
J. C. Penney 4¾pc 1987	[illegible]
Pioneer 6pc 1989	[illegible]
Rand Selection 6pc 1986	[illegible]
Rank 4½pc 1993	[illegible]
Revlon 4½pc 1987	[illegible]
Sperry Rand 4½pc 1987	[illegible]
Squibb 4½pc 1987	[illegible]
Toshiba 6½pc 1990	[illegible]
Union Carbide 4½pc 1982	[illegible]
Warner Lambert 4½pc 1987	[illegible]
Warner Lambert 4½pc 1988	[illegible]
Xerox 5pc 1988	[illegible]

Source: Kidder, Peabody Securities.

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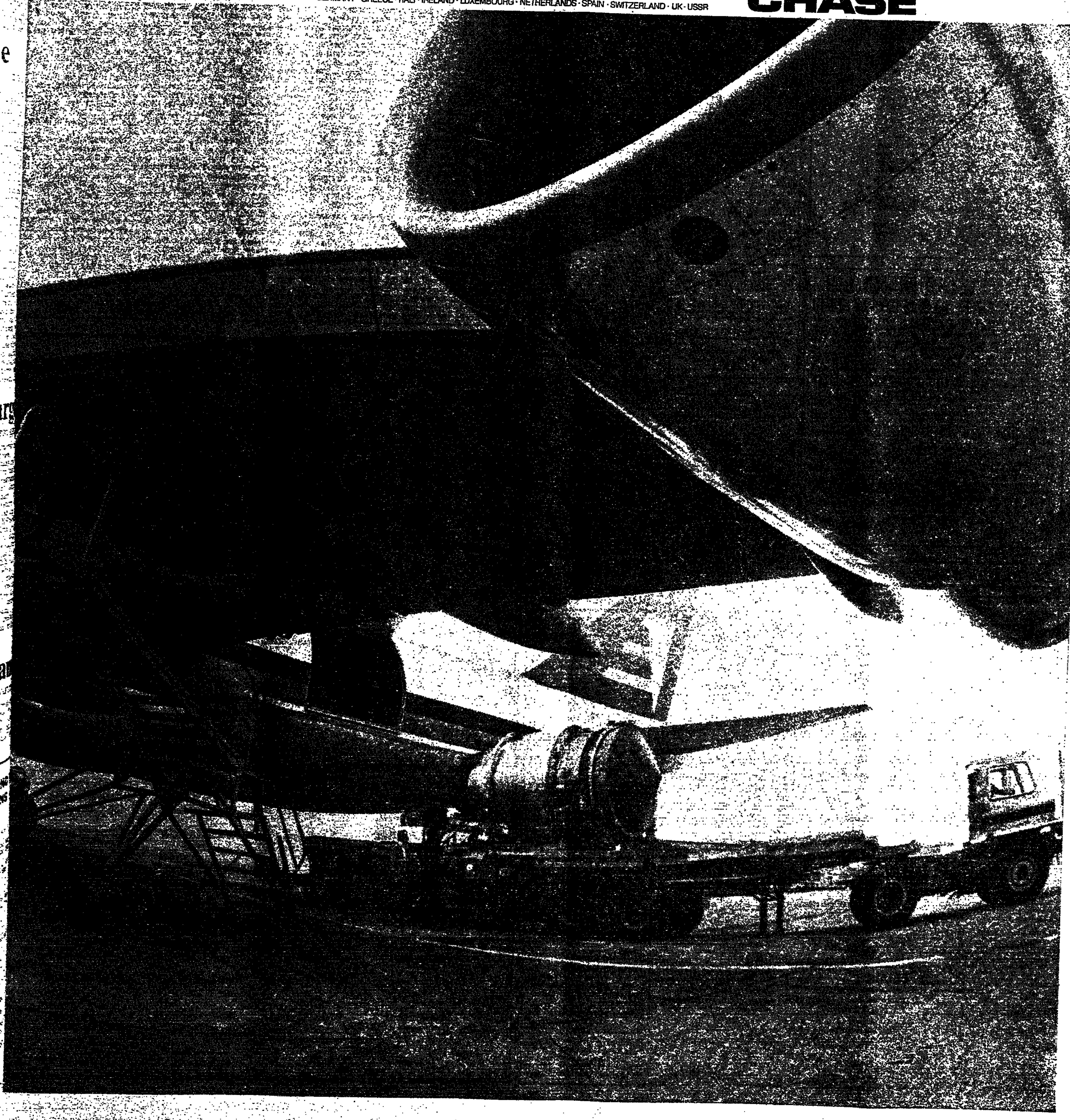

APPOINTMENTS

BOND DRAWINGS

VEREINIGTE OESTERREICHISCHE EISEN UND STAHLWERKE A.G.
V.O.E.S.T. 1963 1978 5½% US$ 10,000,000

Bonds for the amount of $US 503,750 have been drawn on August 22, 1975 in the presence of a Notary Public for redemption on October 23, 1975.

The following Bonds will be reimbursed coupon due October 23, 1976 attached.

Bonds of US$ 1,000 (332)

[illegible]

Amount purchased in the market: US$ 567,250.
Amount unamortised: US$ 3,579,000.

The Trustee
KREDIETBANK
S.A. Luxembourgeoise

Luxembourg,
September 5, 1975

ART GALLERIES

CLUBS

COMPANY NOTICES

NEW CENTRAL WITWATERSRAND AREAS LIMITED
(Incorporated in the Republic of South Africa)

NOTICE TO MEMBERS

[illegible]

BUILDERS INVESTMENT GROUP

TO THE HOLDERS OF THE 7½% SUBORDINATED DEBENTURES DUE 1978
7½% SUBORDINATED DEBENTURES DUE 1978

[illegible]

BRASCAN LIMITED
(Incorporated under the laws of Canada)

[illegible]

JARDINE SELECTION N.V.

[illegible]

EXECUTIVES

LEGAL NOTICES

No. 002865 of 1975

In the HIGH COURT OF JUSTICE Chancery Division Companies Court. In the Matter of SHARMWAY SECURITIES LIMITED and in the Matter of the Companies Act, 1948.

[illegible]

No. 002824 of 1975

In the HIGH COURT OF JUSTICE Chancery Division Companies Court. In the Matter of VALCO BAKERIES LIMITED and in the Matter of the Companies Act, 1948.

[illegible]

CONTRACTS AND TENDERS

THE HASHEMITE KINGDOM OF JORDAN
JORDAN ELECTRICITY AUTHORITY

[illegible]

CINEMAS—(Cont.)

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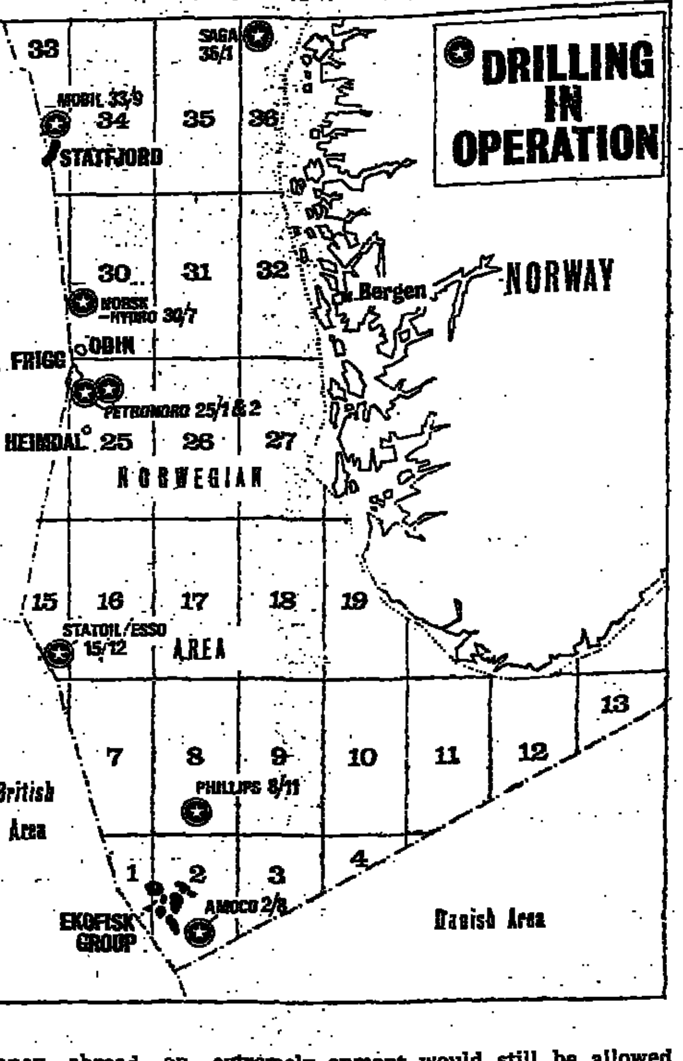
NORTH SEA OIL REVIEW FROM OSLO

BY ADRIAN HAMILTON

Answers to a new equation



WILL Norway's policy of "make haste slowly" with oil change under the pressure of a deteriorating economic outlook? *This is the question being asked* as the country's balance of payments and budgetary problems mount at an unprecedented rate and its most important shipping interests look increasingly vulnerable.

The Norwegian Government's policy of deliberately restraining the pace of offshore oil and gas development was based largely on predictions that oil and gas revenues would form a serious threat of inflation, with the growth of oil-related industries posing an equally serious threat to patterns of employment *in traditional industries* in a full employment society.

Now. Norway's balance of payments deficit, expected to reach around Kr.13-14bn. by the end of this year is running at double the rate predicted only last October. The Government has gone in for heavy foreign borrowing, and may have to increase the size of its own budgetary deficits substantially as it intervenes to expand public investment for employment reasons. Unemployment, although tiny by European standards, is rising.

Critics

Critics argue that the *Government* will have now to change both the basis of its projections and some of the directions of its oil policy. Shipowners and other industrial *interests are pushing for a rise* in the face of activity to provide alternative jobs in oil, to provide work for at least a few of the uncommitted rigs due to come into commission next year, and to keep the platform construction industry busy. Others in the banking and commercial sectors argue that the rate of foreign borrowing and the increase in government expenditue imply that any problems with surplus revenues will come until well into the 1980s, that the difficulties have been exaggerated anyway *and that* the problem at the end of this decade may be less one of an embarrassment of riches than *a shortage. This argument tends* to be intensified by fears that Ekofisk and related fields may not perform as expected because *of* the tight reservoir conditions in chalk.

The Ministry of Finance feels, nonetheless, like some in industry, that many of the problems are temporary and will be solved by an eventual upturn in world economic activity. So far, it is pointed out, Norway has had no difficulty in raising money abroad on extremely advantageous terms. *While* the Ministry's next budgetary proposals, early next month, are expected to show some downgrading *of forward oil revenue* estimates, this is not expected to be substantial, and the problems of surplus, although likely *to be postponed a few years, are* still considered formidable. True, some of the development wells on the flanks of Ekofisk have proved disappointing. But in other ways the field is performing better than expected. On the balance of payments side, meanwhile, the Ministry is still predicting a surplus by 1978, while unemployment is still not projected to rise to more than 30,000, or 1.5 per cent., this winter.

Yet there are indications of changes in attitudes. Much less is being heard in public about the 90m. ton ceiling on oil and oil equivalent production implied in a Finance Ministry report a year ago—a ceiling which the Industry Ministry never approved of—and there is a growing feeling that if a major new field was discovered that threatened to break this, development would still be allowed to go ahead. *Equally, it is felt* that, even accepting the ceiling, new discoveries will have to be made if production is to be *maintained through the decade.* While opening-up of drilling north of the 62nd parallel is unlikely before the scheduled *time, 1977, and new licences are* not expected before companies have had time to explore their latest ones, there are indications that the Government could open up a new round, again largely for border blocks, within the next two years. On the tough side, the latest conditions are likely to push the Government into tightening its rules on the employment of foreign labour and to see officials, through Statoil, ensuring a greater preference for Norwegian goods and services in oil company purchasing.

In more subtle ways, too, the atmosphere is beginning to change. There is a greater sense of realism on issues such a the piping of oil and gas across the Norwegian trench to Norway and the development of ambitious downstream projects based on indigenous energy supplies.

On the political side, to[...] of the consensus on po[...]cisions has been eroded [...] tension between the S[...] and non-Socialist parti[...] the fall in popularity [...] Government.

No-one here would [...] that these changes will [...] revolutionise Norwegi[...] policy but, given a move [...] right in voting patterns [...] worsening of the econom[...]tion, then oil activity e[...] encouraged rather th[...]couraged and the attit[...]wards such things as the [...] foreign oil companies [...] the 62nd parallel might [...] a good deal more liberal [...]

Drilling

In terms of actual [...] meanwhile, Norway is [...] the highest rate eve[...] some eight rigs actively [...]ing at present. Three [...] are on blocks awarded [...] last round of licences. BP is drilling a well on [...]ture crossing from its [...] the north at 35/3, the [...] originally turned down [...]ron, into Statoil/Amoco's [...]ing block 36/1. Norsk [...] Petronord is drilling o[...] Norsk Hydro's first well [...]ator using thee new Pol[...] driller on long-term con[...] the company, and Statoi[...] is completing an uncon[...] oil well on its new bloc[...]

Of the other wells, th[...] Statoil consortium now [...] *to be successfully provin[...]* extension of the n[...] northern edge of the S[...] field on 33/9-4; two w[...] *being drilled in the Fr[...]* on blocks 25/1 and 2[...] latter being north-east [...] *north east Frigg disc[...] further well is being dr[...]* a separate structure to [...] intriguing lower terti[...]covery on block 2/8; a[...]lips is drilling on 8/11 [...] Ekofisk.

The next major ex[...] question surrounds the [...]ment of the blocks rese[...] Statoil's use. The stat[...] is now negotiating wi[...]panies for the drilling [...] blocks, 24/12 and 1/9[...] former, towards the Fri[...] contains the possibilit[...] interesting reef structur[...] expected to be shared w[...] and Norsk Hydro, wh[...] latter, which contains [...]portant structure west [...]fisk, is likely to be dr[...] a contract basis with [...] oil company. Present [...] here puts Shell and E[...] the most likely candidat[...] the odds on Exxon.

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هكذا من الأصل

MINERALS AND RESOURCES CORPORATION LIMITED

(Incorporated in Bermuda)

RESULTS FOR THE YEAR ENDED 30TH JUNE 1975 AND DECLARATION OF FINAL DIVIDEND NO. 78 ON THE ORDINARY SHARES

The following are the unaudited results of the corporation and its subsidiaries for the year ended 30th June, 1975 together with comparative figures for the year ended 30th June, 1974. These should be read in conjunction with the adjoining notes.

CONSOLIDATED PROFIT AND LOSS ACCOUNT

for the year ended 30th June, 1975 (expressed in U.S. dollars)

			1974	
	$000's	$000's	$000's	$000's
INVESTMENT INCOME				
Dividends from investments	10,431		26,104	
Interest and net sundry income	6,781		8,451	
		17,212		34,555
Administration and other expenses	1,431		1,067	
Interest on six per cent registered loan stock	298		302	
Other interest	67		214	
Costs of prospecting	3,523		3,203	
Less: Charged against prospecting Reserve (Note 3)	323		—	
	3,200		3,203	
		4,996		4,786
PROFIT BEFORE TAXATION		12,216		29,769
Foreign taxation		476		118
PROFIT FOR YEAR (Note 4[a])		11,740		29,651
Net (loss) gain arising from currency fluctuations	(1,101)		27	
Less: Transfer from (to) currency reserve	1,101	—	(27)	—
		11,740		29,651
UNAPPROPRIATED PROFIT, 30TH JUNE 1974	12,541		12,058	
Adjustment thereto arising from changes in currency exchange rates	252		—	
		12,793		12,058
		24,533		41,709
APPROPRIATIONS				
Transfer to general reserve		—		7,000
Dividends:				
Ordinary shares				
No. 77 of 8 cents (U.S.) declared 13th February 1975, paid 27th March 1975	2,534		7,917	
No. 78 of 6 cents (U.S.) declared 4th September 1975, payable 23rd October 1975	1,900		14,251	
	4,434		22,168	
"A" ordinary shares (note 4[b])	5,892		—	
		10,326		22,168
UNAPPROPRIATED PROFIT 30th JUNE 1975		14,207		12,541
		24,533		41,709

CONSOLIDATED BALANCE SHEET AS AT 30th JUNE 1975 (expressed in United States dollars)

	$000's	$000's	$000's	$000's
CAPITAL		103,023		11,336
SHARE PREMIUM		127,128		41,422
CAPITAL RESERVE		72,610		78,814
PROSPECTING RESERVE		4,677		—
REVENUE RESERVES				
General reserve	30,352		30,348	
Currency reserve	2,878		3,979	
Unappropriated profit	14,207		12,541	
		47,437		46,868
		354,875		211,440
SIX PER CENT REGISTERED LOAN STOCK Repayable at par on 30th June 1979 unless previously purchased by the corporation		5,017		5,035
LONG TERM LIABILITIES		2,112		2,700
LOANS FROM ASSOCIATED COMPANIES		10,098		2,800
		372,102		221,975
Represented by:				
INVESTMENTS				
Quoted, at cost (market value $279,638,000 1974: $62,807,000)	225,658		49,597	
Unquoted, less amounts written off	81,798		51,404	
Loans, less amounts written off	18,811		53,166	
		326,267		154,167
INVESTMENT IN SUBSIDIARY COMPANIES NOT CONSOLIDATED, at cost				
Shares	202		202	
Loans	979		668	
		1,181		870
		327,446		155,037
FIXED ASSETS		6,981		7,974
CURRENT ASSETS				
Dividend receivable	839		13,648	
Debtors and accrued interest	2,740		2,416	
Amounts at call and short notice	36,052		58,437	
Balances with bankers	87		51	
Stores	2,484		2,645	
	42,202		77,197	
CURRENT LIABILITIES				
Overseas taxation	562		189	
Creditors and provisions	2,061		3,671	
Bank overdraft	4		122	
Shareholders for ordinary dividend No. 78	1,900		14,251	
	4,527		18,233	
NET CURRENT ASSETS		37,675		58,964
		372,102		221,975

NOTES:

1. FINAL DIVIDEND

The directors have today declared a final dividend (No. 78) of 6 cents (United States Currency) a share in respect of the year ended 30th June 1975 payable to members registered in the books of the corporation at the close of business on 19th September, 1975 and to persons presenting coupon No. 81 detached from share warrants to bearer. Dividend warrants will be posted from the registered office of the corporation in Bermuda and from the Johannesburg and United Kingdom offices of the local registrars on or about 23rd October, 1975.

Currency and other details relating to the payment of this dividend will be published in the press on 5th September, 1975.

2. The Corporation holds a 49.98 per cent. interest in Zambia Copper Investments Limited (ZCI). ZCI, in turn has as its principal investments a 49 per cent. interest in Nchanga Consolidated Copper Mines Limited and a 12.25 per cent. interest in Roan Consolidated Mines Limited.

Zambian Exchange Control Regulations provide, inter alia, that the net dividends received by ZCI from these two investments must be held for the company's account in Kwacha in Zambia and externalised only after the end of the respective financial years of the copper producing companies.

ZCI announced on 18th August, 1975 that approval for the externalisation of U.S. dollars 10,832,000 relating to dividends paid by NCCM on the "B" shares during NCCM's financial year ended 31st March, 1975 had been requested from the Zambian Exchange Control Authorities in terms of the current regulations. However, the authorities were neither able to grant approval nor to indicate when it might be forthcoming.

Consequently it was necessary for the final dividend for ZCI's year to 30th June, 1975 to be passed. ZCI has indicated that as and when these funds are externalised it will give immediate consideration to the declaration of an interim dividend, out of retained profits carried forward, for the ZCI year to 30th June, 1976. Any such distribution by ZCI would form part of Minorco's earnings in its year to 30th June, 1976.

3. PROSPECTING

Total prospecting expenditure for the year to 30th June, 1975 amounted to Dlrs. 3.5 million. Shareholders will note that of this sum, Dlrs. 3.2 million has been charged against the profits attributable to the ordinary shareholders, while the balance of Dlrs. 0.3 million has been written off against a prospecting reserve, created this year out of capital reserves. It is the intention to make appropriations to this reserve out of profits in years of high earnings, while in years when profits are less substantial transfers will be made from the reserve to fund prospecting expenditure. In this way the corporation will be able to maintain its substantial prospecting programme, without causing undue fluctuations in profits from year to year.

Continued in next columns

GOLF — BY BEN WRIGHT

Only two Ryder men left

LINDRICK, Sept. 4.

ONE OF the most extraordinary finishes that match play so often throws up occurred here this evening when, in the third round of the Sun Alliance Match Play Championship, Tommy Horton, at last a Ryder Cup player and winner of this title in 1970, was beaten at the last hole by one of the deposed members of the 1973 British and Irish team, Ulsterman Eddie Polland.

With the demise in the match immediately behind this of Neil Coles, beaten by 38-year-old club professional Bill Hector (Seaton Carew), it means that the last remaining seeds, Horton and Coles, were removed from the top half of the draw, since Ronnie Shade, runner-up to Horton in 1970, had already accounted for his seeded Scottish compatriot, Brian Barnes, and 22-year-old Leatherhead professional Bob Wynn had accounted for the Argentinian Vicente Fernandez by four and three.

But back to the astonishing Polland victory. Horton was out in 32 shots and two up. He then started for home, 3, 3, 3, against par of 4, 3, 4, to go four up and five under par. Polland looked a beaten man, but he was far from it. As Horton crumbled, he took five of the last six holes. Polland won the 13th, 14th, 15th, 17th, and then played a superb long-iron shot that never left the flagstick at the last and pulled up four feet from the hole.

Horton bunkered to the right, could not get up and down in two shots, and so instead of the mouth-watering prospect of a clash between thrice-champion Coles and Horton, Polland will meet Hector to-morrow morning in the last of four matches in the top half of the draw.

Among the Ryder Cup team through at this stage is Scotsman Norman Wood at the top of the bottom half of the draw who to-morrow morning will meet Peter Butler, the veteran Ryder Cup campaigner who was passed over for selection this time. In the next match down, another deposed player from the 1973 team, Peter Townsend, will meet the Irishman, Eamonn Darcy, who is carrying all before him this season.

In the next match Graham Burroughs of Boyce Hill will meet the talented South African seed Dale Hayes, and in the last match of the bottom half Malcolm Gregson, who missed selection for the Ryder Cup team by the narrowest margin of all—he was 9th in the table when eight men automatically qualified—will meet another up-and-coming youngster who was also passed over for selection, Carl Mason.

Martin Foster, the notable amateur who has made such an impact on the professional game in his second full season, being in 14th place in the table when the Ryder Cup team was selected—will meet Ronnie Shade.

In an outstanding display in early afternoon Hayes gave a glimpse of his world class against the promising left-hander Peter Dawson, who he eventually beat by two holes. Hayes was one down coming to the 12th hole, a 464-yards par four. He hit a glorious second here that almost went into the hole, and rammed in the putt from six feet to square the match.

At the 458-yards 13th hole Hayes hit a similarly magnificent iron shot to the green and holed out from eight feet for a second successive birdie to take the lead for the first time.

The burly South African went through the green with a long iron shot at the 14th, and chipped a little strongly down the hill. But then he holed his third birdie putt in succession from ten feet this time, and had taken command. He prodigally lashed his second shot into the wind at the long 16th into the bushes to lose this hole, and after a half in four at the 17th took the 18th when Dawson tried to hold a 2-iron shot up into the wind and did so too efficiently, catching a green side bunker at this 206-yards par three.

Townsend had a capital battle with Welshman Craig Defoy before winning at the final hole.

FT CLIPPER RACE

French skipper's wily manoeuvre

BY ALEC BEILBY

IT APPEARS almost certain that the wily Breton Olivier de Kersauson, who is skippering the French yacht Kriter II in the Financial Times Clipper Race, slipped through the treacherous Chenal du Four, inside the Isle of Ushant, sometime during Tuesday night.

Certainly he clipped the French coast very close and played the tides while the crew of Great Britain II stayed clear of the shore.

Both yachts sighted one another as they crossed the Continental shelf and entered the Bay of Biscay and the French have closed the earlier gap of 30 miles to about 15, though the British yacht still leads.

They have now both escaped the calms of the Channel and are thundering under spinnakers and running sails across the Bay at more than ten knots towards the Azores, probably passing 130 miles to the West of Cape Finisterre, northern Spain, to-day picking up the first of the following Portuguese trade winds.

POSITIONS, SEPT. 4

G.B. II (0900 GMT)	46° 25'N 08° 10'W
Kriter (0800 GMT)	47°N 08° 10'W
CS RB II (0900 GMT)	47° 40'N 06° 30'W
Great Escape	49° 38'N 04° 52'W

The Italians aboard the smaller CS e RB II are about 100 miles behind, while the Dutch crew of Great Escape had to put into Plymouth on Wednesday to repair broken radio equipment, but sailed later in the day.

TENNIS — BY JOHN BARRETT

Miss Court loses

NEW YORK, Sept. 4.

A PAGE of history was turned on Wednesday night at the end of the eighth day of the U.S. Open Championships when the legendary Australia, Margaret Court, who is now 33 and in the past 12 years has won 24 of the World's four major single championships, gave way to the thrusting challenge of youth.

She was beaten 6—2, 6—4 by the 18-year-old Czech girl Martina Navratilova in a quarter final that took 68 minutes and put the younger player ahead by three matches to two in their meetings this year.

Back in January, Miss Novratilova, surprisingly perhaps on grass, won their quarter final meeting in the Australian Open; in February Mrs. Court was revenged in winning the Virginia Slims tournament in Chicago; on the same tour, the Czech won again in Boston; and at Wimbledon, Mrs. Court drew level with a 6—3, 6—4 win on the fast grass in another quarter final.

Undoubtedly the change to a slower surface here was partly responsible for Mrs. Court's defeat.

The second set started disastrously for her with two lost services in the first and third games. Having faced a Navratilova lead of 40—15 that would have meant 4—0, she broke serve to stem the Czech advance—but was immediately broken again herself, and 4—1 soon became 5—1. But a run of three games brought her back to 4—5 as Miss Navratilova appeared to relax. However, the third seed returned to full concentration in the tenth game to win her serve to 30 and advance to a semi-final against the favourite, Chris Evert.

The seeding has worked out perfectly in the women's singles where the top seed plays the third and the second. Virginia Wade, plays Mrs. Evonne Cawley, the fourth.

The same has not been true in the men's doubles. As at Wimbledon, where the seeds were all eliminated before the quarter finals, there has been slaughter here. Only Jimmy Connors and Ilie Natasse, the seventh rated pair, remain alive by virtue of a narrow 5—7, 6—4, 6—4 victory against the Chilean Davis Cup pair, Jaime Filliol and Pat Cornejo, that was always entertaining.

Report of The Wellman Engineering Corporation Limited for the year ended 31st March 1975

Salient points from the circulated Statement of the Chairman, Mr. Alan C. N. Hopkins, M.A., LL.B.

- Turnover up by 36% to £13,500,000
- Dividend covered 2.2 times
- Exports 45% of Group Sales
- High Order Book at Year End

Facts & Figures	1975	1974
	£	£
Profit before taxation	906,291	734,511
Assets Employed	5,034,121	4,804,600
Asset Value per 25p. share	44.7p	42.7p
Earnings after tax per 25p. share	4.00p	3.22p
Dividend per 25p. share	1.799p	1.692p

WELLMAN

Fairview Estates Limited

INTERIM REPORT

SIX MONTHS ENDED 30th JUNE, 1975

	Six months to 30th June, 1975	Six months to 30th June, 1974
UNAUDITED RESULTS	£'000	£'000
1. TURNOVER	9,981	7,402
2. RESULTS		
Group Profit	1,936	1,915
Less: amount provided against and written off book value of developments	901	690
	1,035	1,225
Taxation	540	661
Group Profit after all charges	498	564
Minority Interests	7	5
Profit attributable to the Shareholders of Fairview Estates Limited	491	559
3. EARNINGS PER SHARE	4.7p	5.3p
4. DIVIDEND		
Interim	2.00p	2.00p
Amount absorbed	£211,000	£211,000

The dividend will be paid on 18th October, 1975 to shareholders on the register at the close of business on 19th September, 1975.

50 Lancaster Road, Enfield, Middlesex.

4th September, 1975.

MINERALS AND RESOURCES—CONTINUED

4. (A) Net Profit attributable to the "A" ordinary shareholders is as follows:

	Dlrs. 000's
Dividends from Engelhard Minerals and Chemicals Corporation (EMC)	6,100
Less: expenses directly attributable to the "A" shareholders	208
Net Profit—distributed as in (B) below	5,892

(B) Dividends on "A" ordinary shares:

No. 1 of 2.73 cents (U.S.) declared 27th September, 1974, paid 30th September, 1974	1,144
No. 2 of 5.4 cents (U.S.) declared 23rd December, 1974, paid 31st December, 1974	2,263
No. 3 of 2.25 cents (U.S.) declared 17th March, 1975, paid 31st March, 1975	943
No. 4 of 3.68 cents (U.S.) declared 25th June 1975, paid 30th June, 1975	1,542
	5,892

5. During the year, the corporation's holding of preferred stock of EMC was converted into common stock, with the result that the corporation now has an interest of 30 per cent. in EMC. In March of this year the Anglo American Corporation do Brasil ("Ambras") in which Minorco has a substantial interest, acquired a 49 per cent. equity holding in Mineracao Morro Velho S.A., which operates a group of small gold mines in the state of Minas Gerais in Brazil. Output is currently at the rate of 40 000 tons of ore per month, and it is anticipated that the introduction of certain technical improvements will in due course increase output by up to 50 per cent. The corporation has also acquired a 12 per cent. interest in Inspiration Consolidated Copper Company (ICC) of the United States. The principal activities of ICC consist of the open pit mining and smelting of both oxide and sulphide copper ores in Arizona.

By Order of the Board

J. Ogilvie Thompson } Directors
W. D. Wilson

U.K. Registrars:
Charter Consolidated Limited,
P.O. Box No. 102,
Charter House,
Park Street,
Ashford, Kent
TN24 8EQ, England.

S.A. Registrars:
Consolidated Share Registrars Limited,
62, Marshall Street,
Johannesburg 2001,
(P.O. Box 61051 Marshalltown 2107)

Registered Office:
Belvedere Building,
Pitts Bay Road,
Pembroke,
(P.O. Box 650 Hamilton 5)
Bermuda

4th September, 1975.

MINERALS AND RESOURCES CORPORATION LIMITED

(Incorporated in Bermuda)

DECLARATION OF DIVIDEND NO. 78 ON THE ORDINARY SHARES

Notice is hereby given that dividend No. 78 of 6 cents (United States currency) per ordinary share, being the final dividend for the year ended 30th June, 1975, has been declared payable to ordinary shareholders registered in the books of the corporation at the close of business on 19th September, 1975, and to persons presenting coupon No. 81 detached from share warrants to bearer. This dividend, together with the interim dividend of 8 cents per share declared on 13th February, 1975, makes a total of 14 cents per share for the year. A notice regarding payment of dividends on coupon No. 81 detached from share warrants to bearer, will be published in the press by the London secretaries of the corporation on or about 12th September, 1975. The ordinary share register in Bermuda and the local ordinary share registers in the United Kingdom and the Republic of South Africa will be closed from 20th September to 3rd October, 1975, both days inclusive.

While members are entitled to receive payment of their dividend in Bermudian currency, existing Bermudian foreign exchange control regulations do not permit the corporation to hold in Bermudian currency, cash funds arising from revenue sources. For this reason the board of directors has decided to pay this dividend in United States currency except that arrangements have been made for payments to be made in United Kingdom and South African currencies as follows:—

(a) Members with registered addresses in the United Kingdom or the Republic of Ireland, who have not mandated payment to addresses outside those countries, and members who have mandated payment to addresses in those countries will be paid in United Kingdom currency and will receive the equivalent of the United States currency value of their dividends converted at the rate of exchange ruling on 14th October, 1975.

(b) Members with registered addresses in the Republic of South Africa, South West Africa, Botswana, Lesotho or Swaziland, who have not mandated payment to addresses outside those countries, and members who have mandated payment to addresses in those countries will be paid in South African currency and will receive the equivalent of the United States currency value of their dividends converted at the rate of exchange ruling on 14th October, 1975.

Members with registered addresses in the United Kingdom, Republic of Ireland, Republic of South Africa, South West Africa, Botswana, Lesotho or Swaziland, may however elect to be paid in United States dollars. Any request for such payment must be received at the offices of the local registrars in the United Kingdom or Johannesburg, whichever is appropriate, by 19th September, 1975. Members who so elect must comply, as necessary, with the United Kingdom or South African Exchange Control regulations.

Dividend warrants will be posted from the registered office of the corporation in Bermuda and from the Johannesburg and United Kingdom offices of the local registrars on or about 23rd October, 1975.

Any change of address or dividend instruction involving a change in the office of payment to apply to this dividend must be received by the corporation in Bermuda or by the corporation's local registrars in Johannesburg or in the United Kingdom on or before 19th September, 1975 and members must also, where necessary, obtain the prior approval of the relevant exchange control authorities having jurisdiction in respect of such changes.

Payments due to shareholders resident in Rhodesia are governed by exchange control regulations in Bermuda and in the United Kingdom and will be blocked. Members with registered addresses in Rhodesia may, however, mandate payment of this dividend to authorised banks in Bermuda or authorised depositaries in the United Kingdom, for credit to blocked accounts.

In respect of dividends payable in United Kingdom currency from the United Kingdom local registrars' office to or to the order of members whose registered addresses are in the United Kingdom or to other members who have mandated payment to addresses in the United Kingdom, there will be deducted United Kingdom income tax at the basic rate except where authority has been received from the Inspector of Foreign Dividends to pay without such deduction. In all other cases no United Kingdom income tax will be deducted.

By order of the Board
F. M. F. Ellis
Secretary

U.K. Registrars:
Charter Consolidated Limited,
P.O. Box 102,
Charter House, Park Street,
Ashford, Kent, TN24 8EQ,
England.

Registered Office:
Belvedere Building,
Pitts Bay Road,
Pembroke,
(P.O. Box 650 Hamilton, 5)
Bermuda.

S.A. Registrars:
Consolidated Share Registrars Limited,
62, Marshall Street,
Johannesburg 2001,
(P.O. Box 61051, Marshalltown 2107).
4th September, 1975.

WALL STREET + OVERSEAS MARKETS + FOREIGN EXCHANGES

Wall St. reacts in quiet trading

BY OUR WALL STREET CORRESPONDENT

NEW YORK, Sept. 4

AFTER A firm start prices went into a moderate retreat in quiet trading on Wall Street to-day. Renewed talk of a possible default by New York City appeared to be the major factor in this reverse.

After beginning the day with a 1.96 rise, the Dow Jones Industrial Index was down 1.56 at 830.73 at noon, with the New York Stock Exchange Common Stock Index showing a loss of 0.15 at 50.77.

But an hour later the Dow Jones index had moved marginally into credit again.

Declines led advances by about 75 issues at mid-day, with turnover at about 6m. shares—in line with yesterday.

Copperweld Corp., among the volume leaders, fell $1¼ to $40⅞

Closing prices and market reports were not available for this edition.

after having jumped $7⅛ yesterday. Imetal SA of France said it has started a tender offer for Copperweld shares at $42.50 a share.

Moore McCormack dropped $1⅞ to $65⅞ after rising more than eight points on an announcement of a two-for-one stock split and a boost in the quarterly dividend *from 35 cents to 40 cents a share.*

Bates Manufacturing, however, gained two points to $27 after a delayed opening. The company says it has been advised that Great Western United Corp. plans to tender for Bates shares at $26.25 a share. GWU's stock rose $1¼ to $36¼.

Prices on the American Stock Exchange were weak in light trading.

The Amex Index was 0.01 lower at 85.60, while turnover was less than ¾m. shares.

Diversey Corp. dipped $⅜ to $29⅜ after a delayed opening. It declared a three-for-two stock split.

Sambo's Restaurants and Champion Home Builders also eased.

OTHER MARKETS

Canada mixed

Price movements on Canadian exchanges were mixed at mid-day yesterday.

In Toronto, Industrials were off fractionally as all other sectors posted gains in light mixed trading. Declines outnumbered advances 113 to 108.

Acklands was off $C2 at $C13½—it has called off a proposed merger with Jannock Corporation which was unchanged at $C5⅛.

Western Oils were 0.27 higher at 184.44, although declines led advances 11 to 7.

In Montreal, Utilities fell 0.22 to 126.66 while Banks posted a ⅛-point gain to 23.35. *Bank of* Commerce was ahead $C⅛ at $C34⅜.

PARIS—Firmer, with vigorous *gains on the news of a 1½ per* cent. drop in bank rate and hopes of other measures to ease credit in the Government's economic package.

Banks were very strong, particularly after rumours of substantial cuts in reserve requirements. Portfolios, Foods, Constructions, Engineerings, Electricals (except CGE), and Metals (except PUK), moved ahead.

Golds moved ahead smartly.

BRUSSELS—Little change in quiet trading.

Traction, Solvay and Vielle Montagne moved up while Mosane, Fmoutremer and Asturienne led falls.

Foreigns closed generally higher, as did Golds.

Petrofina lost Frs.10 to Frs.5.010.

AMSTERDAM—Generally firmer, in continued quiet trading with Wednesday's Wall Street rise an important influence.

Dutch Internationals were *slightly higher with Royal Dutch* up Fls.0.8 at Fls.96.5.

Gains elsewhere were led by Bois, Amfas and VME. Losses were led by OCE, Gist, CSM and Ahold—the latter partly on profit-taking following yesterday's sharply higher first-half profit announcement.

GERMANY—Prices rose between three and five marks following Wall Street's overnight gain and less selling pressure on the bond market.

KHD and Kaufhof led Machinery and Stores with rises of DM5 at DM160.5 and 267.5 respectively. The three main *commercial banks each gained* DM4.

Motors and leading Chemicals rose up to DM3.50, led by BASF and BMW, while secondary Chemicals posted larger rises. AEG's rights offer met selling on its first day of issue.

OSLO — Banks, Insurances, Shippings and Industrialists were quiet, with Norsk Hydro Kr.4.5 lower at Kr.368.

VIENNA—Little changed.

COPENHAGEN — Mixed to slightly lower in fair dealings.

SWITZERLAND—Quiet with variations in all sectors generally very limited.

Among steady Financials, Interfood "B" and Motor Columbus met some buying interest.

In Foreigns, Dollar stocks firmed, led by Blue Chips. German equities posted minor gains in thin trading and South African Financial Minings continued to recover.

MILAN—*Firmer as institutional* buying prompted *gains in Fiat,* up 26.5 at 1,008.5 lire, Assicurazioni Generali, 790 higher at 64,700 lire, and Snia Viscosa, up 50 at 1,595 lire.

HONG KONG—Little changed, with business almost completely dominated by to-day's Hutchison International extraordinary general meeting.

Hutchison closed 3 cents higher at HK$1.74, while Jardine Matheson improved 30 cents to HK$23.20 and Wheelock Marden 5 cents to HK$3.60.

TOKYO—Sharply lower as prices fell to a seven-month low on uncertainty over the economic outlook.

Selling increased of shares in companies thought likely to report poor results with dealers very cautious after the failure of Kohjin Company late last month.

Volume totalled 160m. shares.

JOHANNESBURG—Golds hardened on fair volume. Financial Mines were firmer following producers Platinums were also up, PP Rust gaining 10 cents to 240. Coppers were marginally higher.

De Beers rose 3 cents to 323.

AUSTRALIA—Mining leaders recovered in quiet trading. *MIM,* which fell sharply on Wednesday on its profit downturn, rallied 10 cents to $A2.10. Peko-Wallsend rose 5 cents to $A3.45. Coals were mainly steady. Thiess improved 5 cents to $A2.10.

BHP rose 2 cents to $A7.02

Pancontinental dropped to its lowest level in nearly six weeks at $A5.28 for a 6 cents loss.

Sugars had good buying support, CSR rising 7 cents to $A4.15.

Cub reacted to its profit results with a 10 cent gain to $A1.95.

Indices

NEW YORK

DOW JONES AVERAGES

Close	Home Bonds	Transport	Indus.	Util.	Trading volume† 000's
Sept. 3	67.36	157.00	832.29	78.44	12,260
2	67.65	156.54	825.69	78.25	11,460
Aug. 29	67.76	157.24	835.34	79.24	16,480
28	67.58	155.60	823.47	78.70	14,530
27	67.61	152.82	807.02	77.29	11,110
26	67.81	155.19	806.11	76.91	11,350
25	67.66	155.24	812.34	77.23	11,250
22	67.68	154.58	804.76	76.43	13,050
21	67.73	153.59	791.69	76.12	16,610
20	67.80	154.58	793.26	76.40	18,630
19	67.76	156.47	808.51	77.45	14,960
18	68.07	158.60	822.75	78.09	10,810
15	68.18	156.23	825.64	77.68	10,610
14	68.27	156.67	817.04	77.26	12,460
13	68.26	156.57	820.56	77.84	12,000
12	68.26	157.45	823.54	78.36	14,510
11	68.26	156.59	825.76	78.22	12,356
1975 High	69.92 (4/4)	174.12 (5/6)	881.81 (15/7)	87.07 (24/6)	—
Low	66.15 (3/1)	146.47 (2/1)	632.04 (2/1)	72.02 (2/1)	—
All-time High	—	279.88 (7/2/69)	1051.70 (11/1/73)	163.32 (20/4/65)	—
Low	—	13.23 (8/7/32)	41.22 (8/7/32)	10.58 (28/4/42)	—

† Excluding bonds.

IND. DIVIDEND YIELD p.c.

Sept. 3	Aug. 22	Sept 6 1974
4.56	4.77	5.60

N.Y. SE ALL COMMON INDEX

December 31, 1965=50.

1975 High	1975 Low	Sept.3	Sept.2	Aug29	Aug28	Aug27
51.24 (15/7)	37.06 (2/1)	45.79	45.55	46.29	45.98	44.94

RISES AND FALLS

Issues traded	Up	Down	Unchanged
1,702	685	648	369

	Sept.3	Sept.2	Aug29	Aug28	Aug27
New Highs	10	15	16	11	6
" Lows	13	10	6	7	18

AMERICAN SE MARKET VALUE INDEX

Starting base 100 Aug. 31, 1973.

1975 High	1975 Low	Sept.3	Sept.2	Aug29	Aug28	Aug27
96.80 (15/7)	62.28 (2/1)	85.61	85.90	86.64	85.82	84.08
Volume (000's)		1,110	1,517	1,650	1,360	1,760

STANDARD AND POORS U.S. STOCK INDICES

	*Industrials	†Composite
Sept. 3	96.62	88.38
" 2	98.12	87.42
Aug. 29	98.51	87.72
" 28	97.02	86.40
" 27	94.76	84.43
" 26	94.24	83.96
1975 High	107.40 (15/7)	96.61 (15/7)
1975 Low	77.71 (6/1)	70.74 (8/1)

* 425 Industrials. † 425 Industrials, 50 Utilities, 25 Rails.

STOCK AND BOND YIELDS

	Aug.27 1975	Aug.20 1975	Aug.29 1974
Ind. Ord. yield pc	4.01	4.07	4.46
Ind. Ord. p/e ratio	10.37	10.21	12.31
Long-term Govt. Bds. per cent.	5.93	5.61	6.91

WEDNESDAY'S ACTIVE STOCKS

	Stocks traded	Closing price	Change on day
Texaco	238,000	23⅞	−⅛
Copperweld Corpn.	191,180	42	+7⅛
Kresge SS	179,300	31	+⅛
Goodyear	147,300	19	+⅝
Amer. Tel. and Tel	143,400	47⅛	+⅜
Colgate Palmolive	126,700	26⅛	+⅜
Polaroid	114,800	35	+1⅛
Citicorp	112,500	30⅞	+⅜
Xerox Corpn.	111,900	56⅞	+⅜
Nat. Semicon	100,700	36⅞	+1⅛
Fed. Nat. Mtg.	85,300	13⅞	—
Sony Corpn.	84,000	10⅞	−⅛
Delta Air	79,900	33⅛	+⅜
Bristol Myer	77,100	60	+1⅛
Hughes Tool New	76,700	47	—

TORONTO INDUSTRIAL INDEX

Sept. 3	Sept. 2	1975 High	1975 Low
185.53	187.79	196.50 (15/7)	159.41 (2/1)

MONTREAL INDUSTRIAL INDEX

Sept. 3	Sept. 2	1975 High	1975 Low
192.06	194.90	205.61 (15/7)	159.85 (2/1)

COMBINED INDEX

Sept. 3	Sept. 2	1975 High	1975 Low
187.32	189.76	198.90 (15/7)	158.08 (2/1)

JOHANNESBURG

	Sept. 4	Sept. 3	1975 High	1975 Low
Industrials	210.8	210.1	238.9 (16/7)	183.2 (23/1)
Golds	259.4	239.3	379.1 (2/1)	238.5 (2/9)

(1958=100.) Source: Rand Daily Mail.

MELBOURNE YIELDS

Av'ge yield on 50 Leading Stocks	Sept. 4	Sept. 3	Sept. 2
On Dividends	7.62	7.60	7.60
On Earnings	13.07	13.43	13.43

SYDNEY ALL ORD. INDEX

Sept. 4	Sept. 3	High 1975	Low 1975
360.09	358.90	383.55 (4/8)	289.88 (9/1)

TOKYO NEW SE INDEX

Base=100 January 4, 1968.

Sept. 4	Sept. 3	High 1975	Low 1975
298.41	301.54	333.11 (2/7)	268.24 (10/1)

HONG KONG INDEX ⊕

Sept. 4	Sept. 3	High 1975	Low 1975
310.02	309.51	341.57 (9/8)	160.42 (9/1)

SINGAPORE INDEX §

Sept. 4	Sept. 3	High 1975	Low 1975
221.00	219.47	268.69 (11/3)	153.26 (8/1)

EUROPE

	Sept. 4	Previous	1975 High	1975 Low
Belg'm (a)	106.24	106.11	111.81 (15/5)	89.07 (2/1)
Denm'k (b)	95.03	95.15	96.03 (4/9)	73.06 (13/1)
France (d)	67.9	68.7	72.6 (25/4)	51.70 (2/1)
Germ'y (e)	586.5	580.3	736.1 (15/4)	573.5 (2/1)
Holland (f)	92.9	93.0	107.6 (6/6)	83.8 (2/1)
Italy (g)	82.40	81.57	108.86 (21/2)	80.04 (21/8)
Spain (h)	98.42	98.0	110.96 (22/4)	95.50 (4/7)
Sweden (k)	386.16	381.64	391.44 (1/8)	310.56 (9/1)
Switz'rl'd (m)	244.5	245.5	295.1 (6/6)	206.5 (2/1)

Indices and base dates (all base values 100):—(a) Belgian S.E. 31/12/63. (b) Copenhagen S.E. 1/1/73. (d) Paris Bourse 1961. (e) Commerzbank December 1953. (f) Amsterdam Industrial 1970. (g) Milan 2/1/73. (h) Madrid S.E. 31/12/74. (k) Stockholm Industrial 1/1/58. (m) Swiss Bank Corp. 31/12/58. (u) Unavailable. ⊕ Hang Seng Bank 31/7/64 § Straits Times 1966. (c) Closed. † Adjusted.

Gold improves

Gold continued to recover some of its recent fall in the London bullion market yesterday, closing at $152¾-153¼, a gain of $2¾, after further consideration of the International Monetary Fund agreement to sell part of its gold holdings has confirmed that there is unlikely to be any sales to the market in the immediate future. The Krugerrand was also improved in the domestic and international markets. The coin was quoted at $156¾-158¾ (£74¼-75¼) for domestic delivery, and the premium over its gold content increased to 3.10 per cent., from 1.83 per cent. The premium in international dealings also widened to 2.94 per cent., from 2.49 per cent.

Trading in the foreign exchange market remained quiet with a general lack of interest or movement in most currencies. Sterling opened at $2.1110-2.1120, and improved to $2.1120-2.1130, where it remained for most of the morning. As the dollar began to improve against currencies in general the pound eased in thin business. The lowest rate touched was $2.1065-2.1075, but there was some improvement by the close to $2.1090-2.1100, a fall of 35 points on the day.

Sterling's trade-weighted average depreciation against ten major currencies since the Washington Currency Agreement of December 1971 (as calculated by the Bank of England) widened to 27.6 per cent., from the previous 27.5 per cent., after remaining at 27.5 per cent. at noon and in early dealings. The dollar's trade-weighted average depreciation against 14 units since the Washington Agreement, as calculated by Morgan Guaranty of New York, on noon rtes, narrowed to 2.58 per cent., from 2.67 previously. Sterling's depreciation on a similar basis also narrowed to 33.17 per cent., from the previous 33.20 per cent.

EXCHANGE CROSS-RATES

Sept. 4	Frankfurt	New York	Paris	Brussels	London	A'sterdam	Zurich
Frankf't.	—	2.579-80	58.59-60	6.69-70	5.44-45	97.55-66	96.18-26
N.York*	38.80-83	—	22.74-77	2.527-532	2.112-113	37.88-92	37.36-39
Paris	170.56-86	4.394-404	—	11.42-45	9.28-315	166.66-167.06	164.11-61
Brussels	14.91-97	38.46-51	8.75-77	—	81.19-38	14.56-61	14.34-40
London	5.44½-45½	2.109-110	9.285-295	81.15-35	—	5.57-58	5.65-66
Am'erdam	102.35-40	2.634-636	59.99-60.04	6.85-86	5.572-577	—	98.57-62
Zurich	103.85-96	2.670-672	60.83-39	6.950-967	5.645-649	101.38-48	—

U.S. $ in Montreal. U.S. $1= 1.0302-04 Canadian cents. Canadian $ in New York. $C1=0.9704-06 U.S. cents. U.S. $ in Milan 669.60. Sterling in Milan 1414.80. *Rates for September 3.

EURO-CURRENCY INTEREST RATES*

Sept. 3 1975	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	W.German mark	Swiss franc
†Short term	10-11	6¼-6¾	6-7	1-1⅛	3⅝-3¾	1-1¼
7 days notice	10-11	6¼-6¾	7-8	1-1½	3⅝-3⅝	1-1⅛
Month	10⅜-10¾	6½-7	8⅛-8½	2⅜-2⅝	[illegible]	2⅛-2⅜
Three months	10½-10⅞	7-7½	8½-8¾	3¼-3½	[illegible]	2¼-2½
Six months	11¼-11⅝	7⅞-8⅛	9¼-9½	4⅞-5⅛	4⅜-4½	3¾-3⅞
One year	11⅞-12¼	8⅝-8⅞	9⅜-9⅝	6⅛-6⅜	5⅜-5½	4¾-5

Euro-French deposit rate short-term 6¾-7 per cent.; seven days' notice 6¾-7 per cent.; one-month 6⅝-6⅞ per cent.; three months 7-7¼ per cent.; six months 8-8¼ per cent.; one year 8¼-8⅝ per cent.

Longer-term Eurodollar deposits: two years 8¾-9 per cent.; three years 9¼-9½ per cent.; four years 9½-9¾ per cent.; five years 9¾-10 per cent.

The following nominal rates were quoted for London dollar certificates of deposit: one month 6¼-6⅜ per cent.; three months 7 5/16 per cent.; six months 8¼-8 per cent.; one year 8¼-8⅜ per cent.

* Rates are nominal closing rates.

† Short-term rates are call for sterling, U.S. dollars and Canadian dollars and two days' notice for guilders and Swiss francs.

Falconbridge strike talks resumed

SUDBURY, Sept. 4.

REPRESENTATIVES OF Falconbridge Nickel Mines and representatives of the mine, mill and smelter workers who have been on strike since August 21 are meeting here to discuss contract terms and other union demands, a union spokesman said.

He said a decision to resume contract talks, which broke off on August 16, was made over the week-end. The 3,600 union members voted in favour of strike action on August 20 after rejecting the company's latest offer.

Reuter

OVERSEAS SHARE INFORMATION

Investment premium based on $2.60 per £1—96% (95½%).

NEW YORK

Stock	Sept. 3	Sept. 2
Addressograph	6⅞	6¾
Corning Glass	42⅝	41½
CPC Int'nation'l	42½	42
Crane	45⅝	46
Johns Mansville	22	21¾
Johnson Johnson	85	85¼
Johnson Control	12⅝	12½
Joy Manufactur'g	75	74½
Rapid America	5	5⅛
Raytheon	51¾	51
RCA	17¾	17⅛
Reading	2⅜	2⅝
Zenith Radio	23⅞	24¼
Chile 3% 1993	85⅛	85⅛
Peru 3% 1993	†95	†95
U.S.Treas5½%1974	†100.03	†100.03

GERMANY

Sept. 4	Prices Dm.	+ or —	Div. %	Yld. %
A.E.G.	71.7	−0.6	—	—
Allianz Versich.	447	−3	•17	1.9
B.M.W.	219	+3.5	14	3.2
BASF	134.5	+3.4	17	6.3
Bayer	113	+1.5	17	7.1
Bayer Hypo	302	+1	18	3.0
Bayer Vereinsbk	333	+6.5	18	2.6
Commerzbank	200.5	+3.7	17	4.3
Contl. Gummi	76	+0.1	—	—

AMSTERDAM

Sept. 4	Price Fls.	+ or —	Div. %	Y'ld %
Ahold (Fl.20)	98	−4	18	3.7
Akzo (Fl.20)	34.6	+0.1	20	11.4
Algem Bk(Fl.100)	319	+3.5	20	6.9
AMAS NV (Fl.10)	12	+0.1	10	8.3
AMEV (Fl.20)	57.2		30	10.3
Amro Bank (Fl.20)	74.8	+0.5	20	5.3
Van Berkels(Fl.50)	119		15	6.2
Bijenkorf (Fl.20)	82.5	−1	21	5.1

AUSTRALIA

Sept. 4	Aust. $	+ or —
Acrow Australia	†0.66	
Adelaide Brig'ton Cem't 50c	†0.85	+0.02
Allied Mfg. Trdg. Indus $1	†1.43	−0.07
Ampol Exploration	†1.66	
Ampol Petroleum	†.40	
Assoc. Minerals	†2.25	+0.05
Assoc. Pulp Paper $1	†.75	
Aust. Con Industries	†1.13	+0.03

Rally in copper and zinc values

By John Edwards, Commodities Editor

COPPER VALUES broke the recent decline on the London Metal Exchange yesterday. Prices turned up, with cash wirebars gaining £8.5 to £586.5 a tonne.

The increase was encouraged by a recovery in gold and reports of physical business in the U.S. overnight that was being covered in London yesterday. It was also felt that recent Chinese purchases might result in the steady rise in warehouse stocks being halted, with a small decline or, more likely, only a small increase this week.

Although there was some minor consumer buying demand, no confirmation was forthcoming of rumours that the Chinese might be interested at present levels.

Encouraged by the rise in copper and renewed forecasts of a European producer price increase, zinc values moved up strongly, the cash quotation gaining £4.5 to £355.75 a tonne.

It is felt that the unofficial meeting of zinc producers, planned for October 1, may well decide to put up the European official quotation from £360 to £400 a tonne in view of the deterioration in the value of sterling reducing the return to overseas producers in particular.

It was pointed out yesterday, however, that there was no need for a meeting of producers to take a price rise decision, since this could be done by a working committee, either before or after October 1.

'British milk industry faces extinction'

BY PETER BULLEN

MORE THAN 600 farmers in Britain gave up milk production in July. If the decline continued at that rate, Britain would have no milk industry at all by 1984, Sir Richard Trehane, Milk Marketing Board chairman, told a mass meeting of West Country milk producers in Exeter last night.

The decline was taking place because the cost of producing milk had increased out of all proportion to returns the farmer received. Many were producing milk at a loss and not a few faced bankruptcy.

Successive Governments had failed to raise producers' prices sufficiently or in time. The consequences were there for all to see.

"Milk production is down. Cow numbers are down. Artificial insemination figures—representing the next generation of dairy cows—are down. Butter factories, in which millions have been invested, are standing idle. Cheese factories are working below capacity," Sir Richard said.

"The country's reliance on imported dairy products — and the consequent drain on our balance of payments — is increasing every month. We have been able to rely on overseas surpluses to ensure that our consumers do not go hungry. But will those surpluses always be there, at prices we are prepared to pay?"

There was only one solution: a quick increase in the producers' milk price before the industry entered what could be one of the most difficult winters ever.

Governments were understandably reluctant to increase food prices. But would people who are now accustomed to paying 25p for a pint of beer, 15p for a glass of fizz and 15p for a

Sir Richard Trehane

loaf really be so unwilling to face a modest increase in the price of milk.

"At 7p a pint," said Sir Richard, "it is in real terms only half the price it was in 1960. Then, the average worker could earn the price of a pinta in 6¼ minutes. To-day he earns it in three minutes. I can't believe he would grudge an extra minute's work to bring the price up to a realistic level."

However, while sympathising with farmers who were calling for militant action and the withdrawal of milk supplies, he said he did not think militancy was the right way out of their difficulties. Extreme action could destroy growing public sympathy.

Mr. John Cossins, National Farmers' Union vice-president, told several hundred farmers at the meeting that jobs, food and prices were all under threat for want of a few pence on the producer's price for a gallon of milk.

And Mr. Robin Gallup, chairman of the NFU Milk and Dairy Produce Committee, warned politicians that they did not have time on their side.

In mid-November, milk producers would make decisions which would determine how much, or how little, milk they would produce in 1976.

"This winter's supplies of liquid milk are precarious. And with the present rate of decline in the milk sector, there is no doubt in my mind that there will be rationing of liquid milk next winter unless the Government takes immediate action."

● Police were called when scores of angry farmers were locked out of the crowded protest meeting in St. George's Hall, Exeter. The doors were locked with many militant farmers still outside.

Mr. Gallup's speech was interrupted for several minutes while farmers moved to the front to allow more in. A man shouted: "I will not be responsible for what happens if these people cannot get in."

Egg prices to rise next week

By Our Commodities Staff

EGGS WILL cost 4p a dozen more in the shops next week following an all-round increase in first hand selling prices yesterday.

The return of cooler weather, resumption of school meals and a drop in numbers of cheap imported eggs, coinciding with the levelling-off in supplies of home-produced eggs, all helped to firm the market, according to the trade.

But Mr. David Lewis, chairman of the National Egg Producer Retailers' Association, said that, although welcome, the increase was not sufficient for producers. The average producer was still not getting an economic return for his eggs, he claimed.

Prices would have to go up by about another 10p to 12p a dozen to enable producers to recoup heavy losses and to instil confidence to encourage future production. Costs were still mounting; in the past week or two feed prices alone had risen by about £3 a ton.

Retail prices of British cheeses will go up by about 3p a pound from next Monday. This follows increases in first-hand selling prices of cheese to cover higher manufacturing costs and recent changes in the EEC "green pound." The price rise also takes account of the second step in the milk award made at the Price Review in the spring.

GRAIN HARVEST

Nothing like as good as last year

BY JOHN CHERRINGTON, AGRICULTURE CORRESPONDENT

MY OWN harvest finished nearly a fortnight ago with only one major breakdown and a few interruptions because of bad weather. The result as expected was nothing like as good as last year, with a total tonnage down from 1,100 to about 900. It is difficult to be exact because none has been weighed and sold yet, but that is the count of the empty silos.

Wheat was by far the best, averaging just on the two ton an acre mark, the pity was that I was 100 acres short in wheat planting because of the impossibility of getting the seed sown last autumn. The fields which should have gone to wheat were eventually sown very late to barley in the spring. Some should not have been sown at all, but as the only alternative would have been a summer fallow I thought a crop of barley, even a light one was better than nothing.

Wide range

The barley finally averaged about 29 cwts an acre of very dry grain indeed, and this covered a very wide range of yields. Unlike those of many farmers some of my worst crops were my earliest sown and quite the best were sown in mid-March on light chalk soil. The very latest were a great deal better than I thought they would be, and for that the heavy thunderstorms in early July were probably responsible.

Although the standing crops were very short strawed and thin, the actual grain size was quite good. For this the almost universal use of anti-mildew seed dressings and sprays could probably be thanked. Also the virtual absence of the usual foliar diseases in the crops, undoubtedly due to the very hot weather and drought. Grain size and yield is largely determined by the health of the plants themselves and of their leaves during the latter part of the growing season.

On grain quality itself the wheat, which was all of milling quality looks all right, but looks are not everything these days and the sample has yet to be submitted to the miller's protein test to see if it can earn a premium. The Home Grown Cereals Authority has instituted a scheme for the payment of premiums for milling wheat, subject to certain tests, but it is far from being universally accepted by the buyers who seem to be willing to pay no more than they absolutely have to on the market of the day.

Most of the barley in these parts has a chance of a milling price, but the nitrogen content this year appears to be very high. A good level is 1.5 per cent. nitrogen and while that was achieved in earlier crops of Spring and Winter barley many are now showing up to 2 per cent. and over. However, my experience has been that if they can't find any lower nitrogen, the maltsters will have to buy what is available. I sometimes wonder just how valuable the nitrogen test really is. When I started farming all barley was bought by appearance and the beer for the most part was better than it is to-day. I just don't think the present generation of maltsters have the artistry of their predecessors, and are no more than chemists working by the book.

Money's worth

This year too I sold all my straw before harvest and my customers have baled and picked it up and transported it away. They have been extraordinarily lucky because had we had the usual dripping English harvest they would have been stuck with acres and acres of wet straw or else masses of bales too sodden to load. To guard against this happening I sold no more than 70 acres or so to any one man and kept him informed as to when I was going to combine that field so that he could be baling and stacking right behind the combine harvester.

I had also insisted on money in advance of baling and although I did not charge as much as some prices I had heard of, it did maintain the buyers' interest in getting their money's worth. White the wheat straw yield was heavy, about 30 cwts. an acre, the barley was very light being no more than about 10-15 cwts. In a normal year it would have been double that. Barley straw was what they were all after, as it is an animal feed, though, not a very good one.

Bulk feed

According to the advisory services it is worth no more than a third of the barley grain as a feed, £18 against £60. The price in the consuming areas is about £30 per ton and the reason why farmers particularly in the West of England are paying the high price is that they must get some bulk feed to make the animals' rumen work. I think they are misguided to spend so much on such poor feed, but many of them are convinced that cattle need such feed and disregard advice.

The transport of this straw to the west has been a monumental feat of logistics. One Cornish farmers' group has set up shop in East Anglia to get the lift organised. The straw is very light in actual weight this year, and it is difficult to get more than eight tons on an articulated lorry. Few of the drivers who have been pressed into this trade have ever loaded bales before and the miracle is that not more loads have been shed on the roadside. I doubt very much if so much will be wanted next year, and will think myself lucky if all my customers return again, although they seem keen at the moment. However, not to worry. There is always a box of matches in the background for straw-burning.

Coffee Council postpones pact talks

THE NEXT meeting of the International Coffee Council in London has been postponed from October 27 to November 3, the International Coffee Organisation (ICO) said yesterday.

Several member countries favoured a postponement of the start of the meeting, since they felt that it was too close to the international cocoa talks in Geneva being held from September 22 to October 17.

In Rio de Janeiro, meanwhile, Brazilian coffee growers were urged to make full use of Government loans to resist slack market conditions.

Brazilian Coffee Institute president, Sr. Camillo Calazans, said growers should close ranks with the Government to defend their own interests.

He said the IBC was sure high prices would be maintained, but it may be some time before importers accepted the "reality of the market."

Reuter

Union threat to U.S. grain sales

WASHINGTON, Sept. 4.

U.S. SECRETARY of Agriculture, Mr. Earl Butz, said he would be reluctant to make further grain commitments to the Soviet Union, even if the September crop report was a good one, unless the trade union loading ban was resolved by then.

Mr. Butz told the Senate Agriculture Committee that he did not expect the next grain crop report—due on September 11—to show much change from the one issued in August.

"I think it might be futile to make any further sales" while unresolved issues in the shipping industry remain, he said.

Quoting Department estimates that the Soviet Union may need to buy another 8.5m. tonnes of grain this year, apart from the 16.5m. already bought on the world market, Mr. Butz urged that further sales be made from the U.S.

He said the U.S. could make further big sales without hurting the domestic supply position, once U.S. crop prospects were fully clear. "Further sales will be entirely desirable and necessary from the standpoint of both agriculture and the national interest."

He predicted more farm price strength this autumn, based on strong world and domestic demand and possible small losses in estimated record grain and soyabean crops.

Federal Reserve chairman, Mr. Arthur Burns, told the committee that he expected the Soviet Union to build up a large grain stockpile so that future purchases would be less disruptive.

Mr. Burns advocated a bilateral agreement with the USSR on the size of grain shipments over three or more years.

Soviet grain purchases would have a big impact on U.S. food prices, but higher costs of production and marketing would affect them even more.

Mr. Burns strongly opposed export controls on grain. He believed grain sales to Russia would resume when the size of the U.S. grain crop this year was better known.

Moscow should be pressed to develop storage facilities to build up grain reserves. "We shouldn't have to carry inventories for the rest of the world," he declared.

Reuter

Leaf disease hits French sugar beet

PARIS, Sept. 4.

A LEAF DISEASE affecting a large part of the French sugar beet crop made any further increase in sugar content of the plant unlikely, an official of the Sugar Manufacturers' Association said here.

Sugar content this week stood at 13.88 per cent. compared with 12.72 per cent. last week and 16.07 per cent this time last year. The figure is exaggerated, however, by withering of the leaves which has increased root weight relative to the whole plant.

The Association still forecasts a crop producing about 3m. tonnes of sugar and any other estimate must be regarded as optimistic.

● The London daily price for raw sugar was marked down again yesterday morning by £5, to £178 a ton, reflecting the weaker tone in the futures market.

Reuter

Caribbean food corporation planned

BY OUR OWN CORRESPONDENT

KINGSTON, Sept. 4.

CARIBBEAN COMMON Market countries are to establish a £4m. food corporation to oversee two multinational farm schemes in the region.

Final details of the Corporation plan are being worked out now by Agro-industrial officials of member countries. Community officials have indicated that the primary purpose of the enterprise will be to increase the level of agricultural production within Caricom while reducing the region's £250m. annual food import bill.

The first of the farms is to be in Guyana, and will be owned and operated by that country and Trinidad. The scheme is to start soon, with maize and soya planted over 5,000 acres.

Another project, which has been given the green light by a regional working party, is a similar farm in Belize to be operated by Belize and Jamaica, with farmers from both countries producing maize, soya and red kidney beans.

COMMODITY MARKET REPORTS AND PRICES

BASE METALS

COPPER—Turned upwards on the London Metal Exchange. Prices were higher from the outset with forward metal trading up to £608 in pre-market dealings following reports of renewed physical demand in the U.S. overnight. It was also felt that the recent commitments with China would result in a much smaller rise in warehouse stocks than earlier expected. In the Rings, forward metal touched £611 before easing owing to profit-taking to £605 and subsequently ending at £610 on the afternoon Kerb encouraged by the opening firmness of Comex. Turnover: 21,350 tonnes.

Amalgamated Metal Group reported that in the morning cash wirebars traded at £588.50, 89, 87, 86, three months £610, 11, 10, 10.5, 10, 11, to 07.5. Cathodes: cash £572 to 74, three months £595. Kerbs: Wirebars, cash £586, three months £608 to 08. Afternoon: Wirebars, cash £585, three months £607, 06.5, 07, 06. Cathodes, cash £576, 77, three months £597. Kerbs: Wirebars: three months £609, 10.

COPPER	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Wirebars				
Cash	585.5	...	586.7	+8.5
3 months	607.5-8	+1.25	608-9	+9.25
Settlem'nt	585.5	...	—	...
Cathodes				
Cash	574.5	+1	576.7	+10
3 months	595.5	+1.5	597.8	+10
Settlem'nt	574.5	+1	—	...
U.S. Smt.	—	...	*63-65.7	...

TIN—Irregular. Despite the modest setback in Penang overnight, prices held steady here reflecting the recovery in Copper although there was a further widening of the contango. Turnover: 670 tonnes.

Morning: Standard cash £3,180, 79, 80, three months £3,240, 35, 36, 37. High Grade untraded. Kerbs: Standard and High Grade untraded. Afternoon: Standard: cash £3,170, three months £3,238 to 32. High Grade untraded. Kerbs: Standard, three months £3,230, 28. High Grade untraded.

TIN	a.m. Official	+ or —	p.m. Unofficial	+ or —
High Grade	£	£	£	£
Cash	3180-2	—7.5	3168-70	—8.5
3 months	3238-9	+2.5	3230-2	......
Settlem't	3182	—8	—	......
Standard				
Cash	3180-2	—7.5	3168-70	—8.5
3 months	3238-9	+2.5	3230-2	......
Settlem't	3182	—8	—	......
Straits E	‡994½	—7½	—	......
New York	—	......	*364.00	—1.5

LEAD—Modestly higher. Influential buying from one quarter coupled with the recovery in copper pushed prices upwards although values ended below the day's highest. Turnover: 3,350 tonnes.

LEAD	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Cash	176.5-7	+5	176-.5	—2.75
3 months	184-5	+4.82	184-.5	+3
S'ment	177	+5	—	......
N.Y. Spot	—	......	19-22½	......

Morning: cash £176, 76.5 three months £184, 85, 84.5. Kerbs: three months £184, 85. Afternoon: three months £184, 5, 4.5. Kerbs: cash £176.

ZINC—Up again. Prices moved higher owing to renewed speculative buying coupled with modest European demand. Forward metal traded up to £372 before ending at £370 on the afternoon Kerb. Turnover: 8,150 tonnes.

ZINC	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Cash	357.5-8	+6.25	355.5-6	—4.5
3 months	371-.5	+6	369.5-70	+5.25
S'ment	358	—6	—	......
Prm. West	—	......	*38½-9	......

* Cents per pound. † On previous unofficial close. ‡ $M per picul.

Morning: cash £357.5, 58.5, 57.5, three months £372, 70, 72, 71, 71.5. Kerbs: three months £370. Afternoon: cash £357, 56, three months £372 to 69.5. Kerbs: three months £369, 69.5, 70.

SILVER

Silver was fixed 2.9p an ounce higher for spot delivery in the London bullion market yesterday at 215.6p. U.S. cent equivalents of the fixing levels were: spot 455.4c (449.8c), three-month 464.9c (459.1c), six-month 477.5c (470.5c), and 12-month 499.3c (491.6c). The metal began at 212-213p (448-451c), and with confidence returning to the market improved to 215.3-216.3p (456-459c), but eased towards the close to 214.3-215.3p (452-454½c).

SILVER per troy oz.	Bullion fixing prices	+ or —	L.M.E. close	+ or —
Spot	215.6p	+2.8	214.45p	+2.7
3 months	221.9p	+2.8	221.1p	+5
6 months	229.6p	+3.4	—	
7 months	—		231.25p	+2.75
12 months	245.5p	+4	—	

LME—Turnover 161 (215) lots of 10,000 ozs. Morning: Three months 222.5, 22.6, 22.2, 22.5, 22.6, 22.7. Kerb: three months 222.6, 2.2, 2.5. Afternoon: 215.2. Three months 221.5, 21.7, 21.8, 21.7, 21.5, 21.0, 21.3, 21.4, 21.5. Kerb: Three months 221.2, 21.0, 20.0, 20.5, 20.5, 21.0.

COCOA

Further short-covering of near months initially firmed prices, but profit-taking and hedge selling took levels back to close little changed, reports Gill and Duffus.

COCOA	Yesterday's Close	+ or —	Business Done
No.4 Contract			
September	628.0-30.5	+2.0	645.0-22.0
December	582.0-83.0	+5.75	589.0-78.0
March	564.0-65.0	—1.0	573.0-60.0
May	558.5-59.5	—1.5	565.0-56.0
July	557.5-59.0	+0.75	561.5-60.0
September	558.0-59.0	+1.5	—
December	557.0-59.5	+0.25	—

Sales: 2,718 (1,575) lots of 10 tonnes.

International Cocoa Agreement prices: Daily 52.34 (50.89) U.S. cents per pound: Indicator 15-day average 51.93 (52.25); 22-day average 52.88 (53.02).

FREIGHTS

DRY CARGO—N. American grain sector remained fairly active with heavy grain being covered from U.S. Northern Range to Antwerp/Hamburg at $5.50 f.i.o. and from the same loading area to Alexandria at $14.50 f.i.o., both in September.

Heavy grain from U.S. Gulf to Portugal paid $11.75 f.i.o. with September loading, while business was concluded from U.S. Gulf to Japan at $9 f.i.o. for a 50,000 tonner and at $9.75 for a 40,000 tonner with slightly slower load and discharge. Wheat operators arranged two cargoes from U.S. N. Pacific to Inchon at $11.75 free discharge for September. Grain shipper secured a vessel from River Plate to Lisbon/Leixoes at $16 f.i.o. in September.

Miscellaneous sector was very subdued. However, a fair amount of timecharter developed, including a vessel of 30,000 long dwt for a voyage from S. Korea to Great Lakes in September at $3.70 per ton, and a vessel of nearly 16,000 dwt for a voyage from the Continent to China at $2,850 daily.

OIL TANKERS—Few fixtures and little new inquiry out of the Persian Gulf. There was a "swap" deal between Showa and Sohio, with Showa taking a 240,000-tonner from Sohio on September 12 from Persian Gulf to Japan at Worldscale 29 and Sohio taking a 210,000-tonner from Showa on September 5, for a similar voyage, at W.33. Sun Canada arranged a 70,000-tonner on September 22 from Persian Gulf to West at W.50.

COFFEE

Robusta futures opened steady, slightly above previous night's closing levels. Short-covering saw values rise further in a largely featureless market and by end session prices were about steady.

Values later steadied on trade and Commission House buying following the steady opening in New York. Prices closed about steady.

Arabicas were quiet, 30 to 140 points up on balance.

COFFEE	Yesterday's Close	+ or —	Business Done
	£ per tonne		
September	718.0-20.0	+18.0	728.0-20.0
November	722.0-23.0	—6.25	727.0-14.0
January	727.0-28.0	—5.25	734.0-17.5
March	733.0-34.0	+4.0	742.0-25.5
May	737.0-39.0	+5.5	741.0-25.0
July	742.0-43.0	+5.5	748.0-37.0
Sept	748.0-51.0	+8.0	754.0-41.0

Sales: 1,256 (1,623) lots of 5 tonnes.

Latest published ICO indicator prices. U.S. cents a pound: Colombian Mild Arabicas 91.75 (93.00). Other Mild Arabicas 79.75 (82.25). Unwashed Arabicas Santos Fours 85.52 (same). Robustas 78.00 (77.00). Daily average 85.75 (86.71).

ARABICA CONTRACT (in order buyer, seller, sales)—Oct. 88.20-89.00, nil; Dec. 89.60-89.80, 2; Feb. 90.00-90.50, nil; April 91.00-91.70, 2; June 92.00-92.50, nil; August 92.30-93.50, nil; Oct. 93.00-94.50. Sales 4.

RUBBER

UNCHANGED opening in the London physical market. Good turnover on terminal market, closing on a quiet note. Lewis and Peat reported a Malaysian godown price of 146 cents a kilo (buyer, September).

No. 1 R.S.S.	Yesterday's close	Previous day's close	Business done
Oct.	35.20-35.50	34.90-35.40	35.65-35.25
Nov	35.10-35.75	35.25-36.00	—
Oct.-Dec.	35.00-35.50	35.05-35.20	35.70-35.60
Jan.-Mr.	36.30-36.35	36.30-36.45	36.40-36.25
Ap-Jun.	38.25-36.30	36.50-36.35	36.50-36.25
Jy-Sept	37.50-37.55	37.55-37.60	37.60-37.50
Oct-Dec	38.65-38.75	38.70-38.80	38.10-38.70
Jan-Mr.	38.50-38.55	38.60-38.70	38.60-38.45
Ap-Jun.	40.05-40.50	40.00-40.50	40.30-40.00

Sales: 248 (113) lots of 15 tons.

Physical closing prices (buyers) were: Spot 34.5p (same); Oct. 31.25p (31.0p); Nov. 32.0p (same).

SOYABEAN MEAL

	Yesterday's Close	+ or —	Business Done
	£ per tonne		
October	84.5-84.7	+0.5	85.0-85.1
December	85.5-85.9	......	85.7-85.5
February	86.6-87.0	—0.5	87.2-87.7
April	87.6-87.8	—0.05	87.7-88.6
June	86.0-88.4	—0.15	—
August	89.0-90.0	—0.6	91.5
October	90.0-92.0	+0.35	—

Sales: 79 (108) lots of 100 tonnes.

GRAINS

THE BALTIC—Moderate activity was reported in the barley market on a f.o.b. basis, but imported grains remained generally quiet.

Wheat—U.S. Dark Northern Spring No. 2, 14 per cent. Sept. £101.20, Oct. £101.30 transhipment east coast, Nov. £100.65 direct Tilbury. EEC feed Sept. £62.50, Oct. £63.50 east coast.

Maize—No. 3 Yellow American/French Sept. £67.25; Oct. £67.50 east coast.

Barley—EEC feed Sept. £60, Oct. £62.75 east coast. Rest unquoted.

MARK LANE—Price trends were steadier throughout most sections, but the volume of business was moderate. London paid £61 per long ton for Sept. deliveries of feed barley and £62.50 for Oct. while Oct. deliveries of denaturable wheat traded into East Anglia at £64 per long ton. Average sellers per long ton delivered London area: Wheat—milling (Hagberg) Sept. £65.50, Oct.-Dec. £66.50; denaturable Sept. £63, Oct.-Dec. £65.25. Barley—Feed Sept. £61.50, Oct.-Dec. £64.

LONDON GRAIN FUTURES MARKET (GAFTA)—Wheat, irregular. Close: Sept. 6.30, Nov. 63.45, Jan. 65.15, March 66.90, May 68.80. Business: Sept. 61.40-61.25, Nov. 64.00-63.25, Jan. 65.95-65.00, March 67.60-66.80, May 69.05-68.70. Barley, generally steadier. Close: Sept. 60.70, Nov. 62.85, Jan. 64.70, March 65.85, May 67.70. Business: Sept. 61.40-60.70, Nov. 62.50-62.50, Jan. 64.85-64.40, March 66.00, May 67.90-67.70.

HGCA—Location ex-farm spot prices: Soft milling wheat—S. Lincoln £61.50; Wiltshire £64.55. Feed wheat—S. Lincoln £59.60; Wiltshire £63.50. Feed barley—S. Lincoln £58.20; Wiltshire £61.45.

SUGAR

LONDON DAILY PRICES (raw sugar) lower at £178 (£183) a ton c.i.f. for Sept.-Oct. shipment. White sugar daily price was fixed at £195 (£198) a ton.

Initial trades were unchanged and, after a short-lived easier spell, good buying support in December and October lifted prices slightly. In the afternoon, the market fell, but once again found support. Jobber shortcovering during the close pushed prices back to the highs, C. Czarnikow reports.

Sugar Pref Comm Con.	Yesterday's Close	Previous Day's Close	Business Done
	£ per ton		
Oct	179.50-80.00	179.00-80.00	182.00-75.50
Dec.	176.50-76.00	176.75-76.00	178.00-72.00
March	172.00-72.50	172.50-75.00	175.00-68.00
May	168.00-69.00	169.00-68.25	170.00-65.00
Aug	165.50-67.00	165.25-67.85	166.00-63.00
Oct	161.00-62.00	165.75-64.00	165.00-62.50
Dec	158.00-61.00	162.75-63.20	—

Sales: 2,701 (2,897) lots of 50 tons.

Tate and Lyle ex-refinery price for granulated basis white sugar was £228.60 (same) a long ton for home trade and £263 (£268) a long ton for export.

EEC DAILY EXPORT LEVIES for white and raw sugars, denatured and non-denatured, effective Sept. 5. Figures in Units of Account per 100 kilos with previous in brackets: White—2.41 (2.41). Raw—3.38 (4.30).

WOOL FUTURES

LONDON—Market steady.

(Pence per kilo)

Australian Greasy wool	Yesterd'ys close	+ or —	Business Done
October	159.0-62.0	......	—
December	161.0-64.0	......	—
March	170.0-72.0	......	—
May	173.0-74.0	......	—
July	177.0-78.0	......	—
October	184.0-87.0	......	—
December	188.0-90.0	......	—
March	190.0-94.0	......	—

Sales: Nil (21) lots of 1,500 kilos.

BRADFORD—Business very quiet and prices barely steady. Small adjustments on certain qualities are noted and one or two topmakers have reduced merino quotations. Futures have been slightly dull, reflecting the dull tones and possibly also the setback in many commodity prices due to sharp fall in the price of gold.

SYDNEY GREASY (in order buyer, seller, business)—Oct. 245.5-246.0, 246.1-245.0; Dec. 252.0-253.0, 252.5-252.0; March 260.0-260.5, 261.0-260.1; May 266.0-266.5, 266.5-265.5; July 269.3-269.0, 268.3-267.3; Oct. 270.0-270.5, 270.5-269.6; Dec. 270.5-271.5, 270.5-270.5; March 217.0-278.0, 271.0-271.0. Sales 184.

MEAT/VEGETABLES

MEAT COMMISSION—Average fatstock prices at representative markets on September 4. G.B.—Cattle £18.52 per live cwt. (+0.29); Sheep 30.7p per lb EDCW (+0.5); Pigs £4.58 per SCLW (+0.10). England and Wales—Cattle numbers up 7.4 per cent., average price 18.81 (—0.07); Sheep down 12.5, 31.0p (—0.09); Pigs down 0.4, £4.58 (+0.10). Scotland—Cattle down 13.4, £18.42 (+0.36); Sheep down 35.1, 29.6p (+1.2); Pigs nil.

SMITHFIELD (pence per lb)—Beef: Scotch killed sides 29.5 to 32.5. English hindquarters heavy 38.0 to 39.0. Eire hindquarters 38.0 to 40.0, forequarters 20.0 to 22.0. Veal: English fats 38.0 to 44.0 higher quality fats 45.0, bobbies 7.0 to 12.0, Scotch bobbies 6.0 to 16.0. Lamb: English small 26.0 to 32.0 higher quality small 34.0 medium 27.0 to 30.0, heavy 24.0 to 25.0. Scotch medium 26.0 to 28.0, heavy 24.0 to 26.0, hill 20.0 to 31.0, higher quality hill 32.0. Imported frozen—NZD's 29.0 to 30.0, 2's 28.0 to 29.0, 8's 27.5 to 28.0, YLs 26.5 to 27.0. Ewes: 10.0 to 11.0. Pork: English, under 100 lbs 28.0 to 35.0, 100-120 lbs 26.0 to 34.0, 120-160 lbs 27.5 to 32.0, 160-180 lbs 26.5 to 30.0, English 180 lbs and over 24.0 to 26.5.

COVENT GARDEN (Prices, in sterling)—Imported produce: Oranges—Brazilian: 2.20, 2.30; South African: 2.45, 2.95; Californian: 2.70, 3.20. Grapefruit—South African, 36 3.85, 40 4.25, 48 4.35, 56 4.55, 72 4.20. Lemons—Italian: 6.20; South African: 6.70 7.00. Apples—French, Per 20-lb Golden Delicious 72 1.40 1.50. Pears—Italian: Per lb Williams 0.11 0.12. Bananas—Windward Islands: Per 28-lb 2.70. Jamaican 3.60. Grapes—Italian: Per approx. 10-lb Regina 1.60 1.80; Belgian Per lb 0.65. Peaches—Italian: Per 11-Trays Hales 2.00 2.70, Yellow Flesh 2.00 2.40.

English produce: Lettuce—Per 12 round 1.30, cos 1.60. Cucumbers—Per tray 12 1.70, 14 1.70, 16 1.60, 18 1.60, 20 1.40. Potatoes—Per 56-lb 2.40 2.60. Cabbages—Per bag, Primo 1.60 2.00. Marrows—Per 18 0.80. Cauliflowers—Per 12 1.60. Mushrooms—Per lb 0.20. Tomatoes—Per 12-lb 1.80. Runner Beans—Per lb 0.14 0.15. Onions—Per 56-lb 2.70. Apples—Per lb Grenadiers 0.05, Bramley's 0.06 0.09, Derbys 0.07, James Grieve 0.06, Discovery 0.10, Tydeman's Early Worcester 0.07, Worcester Pearmain 0.06 0.10. Carrots—Per 28-lb 0.60 0.70. Celery—Per 20 1.80 2.00. Beetroot—Per 12-lb 1.00. Plums—Per 12-lb Victorias 1.50 2.00, per 14-lb Bush 0.90 1.00. Corn Cob—Per 12 0.70 0.90.

JUTE

DUNDEE—Quiet. Prices c. and f. U.K. for September-October shipment: BWB £195, BWC £188, BWD £181. Tossa BTB £197, BTC £190, BTD 183.

CALCUTTA—Goods firm. Quotations c. and f. U.K. for September shipment: 10 oz. 40-inch £7.02, 7½ oz. £5.37 per 100 yards. October £7.21 and £5.48. November December £7.37 and £5.61. "B" Twills: £22.57, £22.75 and £22.81 for the respective shipment period. Yarn and cloth very quiet.

LONDON—Quiet. Bangladesh White 'C' grade Sept.-Oct. £195. 'D' grade Sept.-Oct. £185. A long ton.

CALCUTTA—Steady (unchanged from yesterday). Indian Sept.-Oct. Rs.435. Dundee Daisee Sept.-Oct. Rs.425. A bale of 400 lbs.

COTTON

LIVERPOOL COTTON—Spot and shipment sales in Liverpool amounted to 90 tonnes, bringing the total for the week so far to 580 tonnes. Slack trading continued, with only modest support from African and Middle Eastern sources. Users were not inclined to anticipate their needs and buying was only patchy, F. W. Tattersall reports.

★

GRIMSBY FISH—Supply fair, demand fair. Prices per stone at ships side (unprocessed): Shelf cod £1.45-£2.10; Codlings £1.15-£1.80; Large shelf haddock £3.20, medium £2.60, small £1.80-£2.10; Large plaice £3.40, medium £2.00-£2.20, best small £2.40-£2.80; Skinned dogfish £4.20; Coalfish 95p-£1.05; Lemon soles £4.00; Rock fish £1.10-£1.40; Reds £1.00-£1.10; Medium dogfish £4.30.

Second U.K. potash mine plan revived

By Our Own Correspondent

DARLINGTON, Sept. 4.

PLANS FOR a second potash mine in the Whitby area of North Yorkshire are being considered.

High world prices have caused Shell International Chemical to reconsider an early decision to postpone potash mining at Egton Low Moor.

A spokesman said that the company had decided to apply for an extension of planning permission; if this was approved, the mine could be operating in a relatively short time.

The company, through its subsidiary, Whitby Potash, had planned to produce 1m. tons a year by a solution process.

PRICE CHANGES

Prices per ton unless otherwise stated.

	Sept. 4 1975	+ or —	Month ago
Metals			
Aluminium (a)	£396	......	£396
Free Market cif	£345-355	......	£335-345
Copper‡			
Cash Wire Bars (a)	£586.5	+8.5	£587.5
3 months do. do. (a)	£608.5	+9.25	£607.5
Cash Cathode (a)	£576.5	+10	£576.75
3 months do. (a)	£597.5	+10	£596.75
Gold ... Troy oz.	$153	+3.25	$155.375
Lead Cash (a)	£176.25	+2.75	£179.5
3 months (a)	£184.25	+3	£186.75
Nickel (a)	£2,081	......	£1,959
Free market cif (lb)	$1.85-85½	......	$1.75-85
Platinum troy oz.	$81-85	......	£81-85
Free Market	£76.5	+2.2	£81.3
Quicksilver (76lbs)	$110-115	—1.0	$110-114
Silver Troy oz.	215.6p	+2.9	244.5p
3 months	221.9p	+2.9	251.85p
Tin Cash (a)	£3,169	—8.5	£3,246.5
3 months (a)	£3,231	..	£3,270
Wolfram 22.04lb. cif	£42-45.5	+0.75	£40.5-2
Zinc Cash (a)	£355.75	+4.5	£344.75
3 months (a)	£369.75	+5.25	£355.75
Producers (a)	£360	......	£360
Oils			
Coconut Malayan		......	
Groundnut			
...	£457	......	
Linseed Crude (a)	£435	—17	£432
Palm Malayan (a)	£202	......	£215
Soyabean (a)		......	
Seeds			
Copra Philipp ton	$235		$245
Gr'nuts Nigerian		......	
Linseed Can No.1	£174	......	£173
Grains			
Barley EEC	£60	—2	£59.5
Home Futures	£60.7	—0.1	£61.05
Maize			
French No. 3 Am.	£67.25	—0.65	£65.75
S.A. Yellow			
Wheat		......	
No. 1 Red Spring		......	
No.2 Hard Winter		......	
Australian (f.a.q.)		......	
English Milling	£65.5	+0.5	£63.5
Cocoa Shipment (a)	£620	—5.5	£696
Futures Dec	£582.5	—5.75	£580.25
Coffee Shipment (c)		......	72
Futures Nov. (Cty)	£722.5	—6.25	£768.5
Cotton 'A' Index			
cent	55.5	......	55.25
Jute LJABWC (d)	£195	......	£195
Rubber ... kilo	34.5p	......	37.0p
Sisal EA3L (a)	$600	......	$600
Sugar (Raw)	£178	—5	£200
Wooltops 64s ... kilo	195p	......	186p
Clove (Madagascar)	£2,550	......	£2,550
Pepper White ... ton	£910	......	£880
Black ... ton	£710	......	£685

* Nominal. † Seller. ‡ Unofficial close. ♣ Indicative price. b U.K. and Commonwealth refined. c Uganda Robusta standard grade indicative prices f.o.b. Mombasa U.S. cents a pound. d Bangladesh white "C." : Unquoted. e Seller's quotation. h Nov. k Aug.-Sept. u Metric tons. r September. p Aug.-Oct. s July-Aug. t Nov. q May-June. z Nov.-Jan.

FINANCIAL TIMES

Sept. 4	Sept. 3	Month ago	Year ago
178.49	178.38	183.44	200.08

(Base: July 1, 1952=100)

REUTER'S

Sept. 4	Sept. 3	Month ago	Year ago
1158.2	1158.1	1158.1	1255.4

(Base: Sept. 18, 1931=100)

DOW JONES

Dow Jones	Sept. 4	Sept. 3	Month Ago	Year ago
Spot	314.61	315.67	315.60	367.11
Futures	296.17	297.57	305.03	342.85

(Average 1924-25-26=100)

MOODY'S

Moody's	Sept. 4	Sept. 3	Month ago	Year ago
Sple Commty	791.3	787.7	791.7	852.5

(Dec. 31, 1931=100)

COPRA—Philippines: Sept. to Nov. $235 per tonne c.i.f. North Euro ports resellers.

U.S. Markets

Grains rise on exporter demand news

NEW YORK, Sept. 4.

SILVER edged higher in featureless trading while copper advanced on renewed Commission House buying. Profit-taking forced cocoa lower after two days of higher price activity. Sugar declined slightly in a quiet session. Chicago grains finished slightly higher across the board on expected exporter demands, Bache reports.

Cocoa—Ghana spot unquoted (unquoted). Bahia spot 60¼ (61), nom. Sept. 60.25 (61.00). Dec. 53.40 (53.60). March 50.65, May 49.80, July 49.45, Sept. 49.10, Dec. 48.45 settlements. Sales 1,274.

Coffee—Spot Santos No. 4 unquoted (same). Colombian Mams unquoted (same). "C" Contract: Sept. 81.50 (80.00), Nov. 81.60 (79.69), Dec. 81.30-81.50, March 81.20-80.90, May 81.20-81.50, July 81.60-82.00, Sept. 82.00-82.30. Sales: 165.

Copper—Sept. 56.70 (55.60), Oct. 57.00 (55.90), Nov. 57.60, Dec. 58.20 settlements. Sales: 2,639.

Cotton—Oct. 51.75-51.90 (52.50), Dec. 52.40-52.42 (53.0), March 53.15, May 53.55, July 54.05-54.05, Oct. 54.20 bid, Dec. 54.60-54.65. Sales: 1,020.

‡Gold—Sept. 152.40 (150.60), Oct. 152.90 (151.30), Nov. 154.10, Dec. 155.20, Feb. 157.90, April 160.50, June 163.20, August 165.90, Oct. 168.50, Dec. 171.20. Sales: 1,095.

Greasewool—Spot 154.5 nom. (same). Oct. 154.5-162.0 (154.5), Dec. 154.5-160.0 (154.5), March 150.0-157.0, May 150.0-153.0, July 149.0-154.1, Oct. 149.0-156.0, Dec. 149.0-157.5.

†Lard—Chicago loose 34.75 nom. (37½). NY prime steam 34.75 (39 nom.).

††Maize—Sept. 301-302 (298-299), Dec. 296½-296 (297½-297½), March 305-306, May 307-308, July 308.

‡Platinum—Oct. 161.50 (160.00), Jan. 165.00 (163.70), April 168.10 bid, July 172.10 bid, Oct. 177.90 bid, Jan. 182.20 bid. Sales, 442.

‡‡Silver—Spot 454.00 (446.80), Sept. 450.00 (447.20), Oct. 452.00 (450.20), Nov. 456.00, Dec. 460.00, Jan. 464.30, March 473.00, May 481.30, July 489.40, Sept. 497.50, Dec. 509.40, Jan. 513.50. Sales: 5,585.

*Soyabeans—Sept. 581 (560), Nov. 570, 571 (568½), Jan. 581-580, March 590, May 597-597½, July 602, August 603.

♭Soyabean Meal—Sept. 139.50-140.00 (137.20), Oct. 140.50-141.00 (138.00), Dec. 143.50-144.00, Jan. 145.00, March 150.00-150.50.

Soyabean Oil—Sept. 22.90-22.90, Oct. 22.65-22.70 (23.33), Dec. 22.35-22.45, Jan. 22.25-22.40, March 22.20, May 22.20, July 22.10-22.15, August 2.15.

Sugar—Spot 16.00 (15.90), Oct. 15.45-15.65 (15.82), Jan. 15.10 nom. (15.50), March 14.64-14.75, May 14.50, July 14.25, Sept. 14.20-14.25, Oct. 14.04-14.12. Sales: 2,954.

Tin—313.00-315.00 nom. (316.00-415.00).

**Wheat—Sept. 417 (412-414), Dec. 422-422 (428-429), March 444-445, May 452, July 429.

WINNIPEG, Sept. 4. ††Rye—Oct. 317 (307), Dec. 295 asked (291), May 296 bid, July 288.

‡‡Oats—159 (155½), Dec. 152½ asked (150), May 153½ bid.

§Barley—Oct. 253 bid (249), Dec. 247 bid (244), May 250½ bid.

‖Flaxseed—Oct. 800 bid (790), Nov. 750 bid (760), Dec. 770 bid, May 765 bid, July 749.

Wheat—SCWRS 13.5 per cent. protein content St. Lawrence 502½ (502¼).

All cents per pound ex-warehouse unless otherwise stated. *Cents per 60-lb bushel ex-warehouse. ‡$'s per troy ounce—100-ounce lots. †Chicago loose $'s per 100 lb.—Dept. of Ag. prices previous day. Prime steam f.o.b. NY bulk tank cars. ‡‡Cents per troy ounce ex-warehouse. ♭New "B" contract in $'s a short ton for bulk lots of 100 short tons delivered f.o.b. cars Decatur and Illinois. $'s per troy ounce for 50-ounce units of 99.9 per cent. purity delivered NY. **Cents per 60-lb bushel in store. ††Cents per 56-lb bushel ex-warehouse, 5,000 bushel lots. ‡‡Cents per 24-lb bushel. §Cents per 48-lb bushel ex-warehouse, 5,000 bushel lots. ‖Cents per 56-lb bushel, ex-warehouse, 1,000-bushel lots.

STOCK EXCHANGE REPORT

Markets boosted by better-than-expected ICI figures

Share index up 8.4 at 329.3—Gilts make progress

Account Dealing Dates
Option

*First Dealings	Declara-tions	Last Dealings	Account Day
Aug. 22	Sep. 4	Sep. 5	Sep. 16
Sep. 8	Sep. 18	Sep. 19	Sep. 30
Sep. 22	Oct. 2	Oct. 3	Oct. 14

* "New time" dealings may take place from 9.30 a.m. two business days earlier.

Equity markets came to life *with a flourish yesterday following* better-than-expected second quarter figures from ICI, which closed 15 to the good at 282p. Already showing small improvements, other leading Industrials moved smartly forward after the lunch-time announcement from ICI in a flurry of activity. Closing gains ranged to 7 and sometimes more which left the FT 30-share index 8.4 higher at 329.3. Some of the demand was quite sizeable, while occasional "new-time" buying was seen for the new Account starting next Monday. The undertone in "after-hours" *dealings* was fully firm, with prices continuing to move higher. Second-line issues were by no means left out of the picture, this being reflected in a majority of rises over falls by 3—1 in FT-quoted Industrials and a gain of 1.8 per cent. to 142.30 in the FT-Actuaries All-Share index.

British Funds enjoyed a more active day's trading. A useful demand, centred mainly at the long end, left closing improvements extending to ⅜ and the Government Securities index rallied 0.18 to 61.68.

Wednesday's better trend in Gold shares became *more* pronounced yesterday following a further rally in the price of bullion by $2.75 to $153 per ounce. Gains were *fairly* widespread and the Gold Mines index recovered 12.9 more to 321.2.

Gilts progress

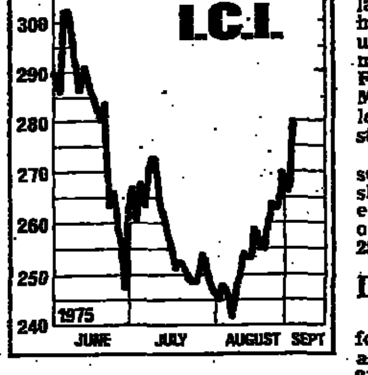
Even Gilt-edged felt the repercussions of the ICI interim figures and a brisk demand began to build up on the view that the general economic climate might not be as bad as recent indications suggest. The longs benefited most and staged rises extending to ⅜, which tapered to ¼ in the mediums. Short-dated issues appeared less concerned about short-term U.S. interest rates and rallied ⅛. The short "tap," Treasury 9½ per cent., 1980, was in demand and rose ⅛ to 91⅝, which is the level the market believe the Government broker wants for supplies of the stock. A continuation of the buying to-day could see this supposition put to the test. Corporations, after the recent prolonged rise, began to show *reactionary signs*

A quieter day in the investment currency market saw the premium trade within the much reduced range of some 2½ points before a close of 96 per cent., up ¼ on balance. Once again, a large portion of the day's business represented two-way non-resident activity in South African Gold shares. Yesterday's SE conversion factor was 0.6257 (0.6280).

Banks good

In sympathy with the buoyant mood elsewhere in the market, *the big four Banks moved forward* quite sharply in the course of an improved turnover. Although closing slightly below the day's best, gains stretched to 10 as in *Midland*, at *262p*, after 266p. Bank of Scotland also rose 10 to 250p. After Wednesday's weakness, Overseas issues tended to improve in sympathy with the firmer dollar premium; Standard and Chartered rallied 17 to 485p and Hong Kong and Shanghai recovered 5 to 235p. Bolstered by firm gilts, Discounts closed better where changed. Alexanders were particularly favoured at 210p, up 12, while *Union put on 8 to 328p*. Edward Bates spoilt the firm sequence in Merchant banks, closing 3 lower at 35p, after having been marked as low as 25p on the dividend omission and near-£4m. loss. Anglo-Continental, however, added 5 to a *1975 high of 72p. In* Hire Purchases, Provident Financial hardened 2 to 67p on the interim figures. First National Finance shed a penny to 3p.

Sun Alliance encountered light profit-taking after the previous



day's good gain on the better-than-expected interim results and touched 415p before closing only a penny lower on the day at *422p*. Other Insurances closed firmer for choice. "Royals" were good, rising to 312p, before finishing 6 higher on balance at 306p. *General Accident* added 8 to *160p*.

Distillers took a turn for the better yesterday on news that *the company has applied to the* Prices Commission for a further round of whisky and gin price increases from October 1; the shares retrieved 5 of the previous day's loss of 6 at *112p*. Arthur Bell closed a penny dearer at 106p despite lower first-half earnings, *while H. P. Bulmer pushed up 2* more to a 1975 high of 75p. Breweries had a firm session with Arthur Guinness 3 better at 118p, helped by news of the success in West Germany. *Scottish* and Newcastle hardened 1½ to 56p and *Allied gained a penny to 66p.*

R. Costain featured Buildings with a rise of 10 to 208p, while Geo. Wimpey improved 5 to 118p and Taylor Woodrow advanced 7 to 288p. Marley hardened 3 to 85p, while RMC, 69p, and John Laing "A," 126p, put on 4 apiece. Hamilborne continued firmly, rising 11 further to 48p, a two-day rise of 18 following news that a large shareholding had changed hands. AP Cement were supported up to 165p, a rise of 5. Contrasting movements were provided by Fairview Estates, 2 up at 55p, and Mixconcrete, 2 easier at 33p, fol*lowing their respective interim* statements.

Steady at 267p in front of the second-quarter figures, ICI moved sharply ahead on the better-than-expected profits to close 15 higher on balance at the day's best of 282p following a good business.

Decca advance

Decca were again well to the fore in Electricals, the Ordinary and "A" closing 14 higher at 210p and 208p respectively following Press comment on the results. Reyrolle Parsons, ahead of next *Friday's interim statement, moved* up 4 to 52p, while Plessey ended 2 harder at 76p and GEC closed 5 better at 127p. After Wednesday's fall of 53p on the computer restructuring plans, Philips' Lamp became a steadier market and rallied 5 to 695p. Thorn Electrical were also popular, the Ordinary and "A" both finishing 8 higher at the common level of 198p. Small buying in a restricted market left Pelbow 6 better at 128p.

After a quiet start, leading Stores attracted a good *business* and closed on a firm note. Marks and Spencer improved 4 to 110p, *while a similar gain was seen in* "Gussies" "A," 184p. Burton Group "A" put on 2 to 40p as did Debenhams to 74p. Among secondary issues, Cantors "A" were marked up 7 to 32p in a thin market on the sharply *increased earnings and scrip* issue proposal. Allied Retailers improved similarly to 68p, while *interest* was also shown in Audiotronics, 2 up at 40p, and Weston Pharmaceuticals, 3 better at 37p. In Shoes, Church put on 10 more at 100p on satisfaction with the interim statement.

Engineerings regained confidence after a ragged start, Tube Investments closing 6 higher on balance at 240p, after 232p, while GKN showed a net 3 gain at 216p, after having been 208p earlier. Davy International continued in firm vein at 99p, up 6, while Rotork gained 5 more to 90p ahead of to-day's interim results. Jones and Shipman moved up 5 to 50p. Babcock recovered an early loss of 4 to end a net 2 better at 113p, while Howard Machinery put on 3 to 48p following Press comment. Permali were active and initially up to 29½p, but profit-*taking later caused the price to* revert to the overnight level of 27½p. Of smaller-priced stocks, International Combustion, 9¼p, and Spencer Gears, 10½p, hardened about 1½ apiece.

Foods made modest headway under the lead of Cavenham, 4 up *at 138p, and Tate and Lyle, 5* higher at 211p. Fitch Lovell, still reflecting trading news, picked up 3½ more at 59p. Unigate hardened 2½ to 47p, while Cadbury Schweppes, 50p, and RHM, 43½p, put on 1½ apiece. Matthews Holdings firmed 2 to 48p following *acquisition news, while other firm* spots took in British Sugar, 8 better at 323p, and Associated Dairies, 10 to the good at 202p.

Hotels and Caterers made a better showing, Ladbroke closing 5 better at 180p and J. Lyons "A" *finishing 6 higher* at 148p. *Grand Metropolitan* were finally 3 harder at 69p, after 70p.

Industl. leaders firm

The better-than-expected second-quarter profit figures from ICI gave the miscellaneous Industrial leaders a boost. After a quietly firm start prices surged forward during the course of a good business. A good two-way trade saw Glaxo rise 14 to 352p, while Bowater added 6 to 165p. Improvements of 3 were seen in Beecham, 304p, and Boots, 119p. News of the U.S. glass fibre deal *gave added impetus to Pilkington* Bros., which closed 8 higher at 246p. Renewed buying ahead of Tuesday's interim results left Reckitt and Colman 11 dearer at 323p, while further consideration of the good half-year figures helped Kleeman Industries firm 5 more to 215p. On the higher half-year earnings, Gibbons Dudley put on 2½ to 47½p, and acquisition details left "W." Ribbons 3 better at 24p. Dunbee-Combex attracted buyers at 140p, up 10, while Sangers gained 5 to 64p with the "new" nil-paid shares 5 to the good at 15p premium.

After recent weakness, British Leyland revived with a gain of 5 *to 40p on* small buying in a restricted market; sentiment was helped by news of the company's large increase in car sales to the U.S. Brown Bros. hardened ¾ to 8½p on the higher first-half profits. Dowty, 113p, and Armstrong Equipment, 42p, put on 3 apiece. Garages were often better. British Car Auction put on 4 to 30p. Henlys hardened 3 to 41p, but Tate of Leeds declined 4 to 18p.

Paper/Printings encountered a little more interest yesterday. DRG rose 3 to 99p, while Bunzl Pulp gained a similar amount to 87p and British Printing improved 2 to 40p. *The same enthusiasm* was not shown for Newspapers which, apart from Beaverbrook "A", 1½ better at 34p, were often unchanged. Marshall Cavendish, in Publishers, returned to popularity and closed 3 higher at 24½p.

Properties *fared well* in the general advance with both the leaders and secondary issues scoring gains to 6. Land Securities closed that much up at 175p and, still influenced by a mid-week investment recommendation, Percy Bilton gained 5 more to 137p. Others to catch the eye of buyers included Avenue Close, 6 dearer at 50p, along with Allied London, 44p, and Haslemere Estates, 202p, both of which improved 4. Barratt Developments also ended 4 up at 104p. Elsewhere, Daejan advanced 3 further to 42p. Of the infrequent adverse changes, Marler Estates slipped 2 to 18p following the dividend omission and loss.

The immediate reaction to British Petroleum's second-quarter figures, which were near the bottom end of market expectations, was to put the price down to 532p. But apparently on *relief* that a share placing regarding the ex-Burmah holding had not been announced, a recovery ensued which took BP up to 548p for a net gain of 3. Shell were good throughout on a one-way trade and closed 9 higher at the *day's best of 345p. News of the* subsidiary's large Polish contract stimulated a small interest in Burmah, 1 harder at 29p, but early investment currency influences caused Royal Dutch to fall ⅜ more to £27½. For the same reason, Sunningdale, 410p, and Pan Ocean, 710p, both shed 30.

Overseas Traders firmed throughout. Harrisons and Crosfield gained 17 to 867p and Inchcape improved 7 to 392p, while Paterson Zochonis rallied 10 to 350p.

Dalgety were a prominent dull feature in Trusts and Financials, falling sharply to 164p following the profits setback before closing 13 down on balance at 167p. BET Deferred, *on the other hand*, firmed 2 to 77p, after 78p, on the satisfactory results. Rothschild, at 315p, retrieved 3 of the previous day's loss of 15 which followed concern over its sub*stantial gold portfolio.*

A revival of speculative buying on bid hopes helped Furness Withy rise 10 to 228p in generally firm *Shippings*, where P. & O. Deferred adanced 2 to 89½p, after 91p, and Ocean Transport ended similarly better at 98p; the *interim results of the last-named* are expected next Monday. Reardon Smith moved against the trend, the Ordinary closing 5 down at 410p and the "A" 7 lower at 143p on the disappointing interim figures.

Courtaulds closed 5 dearer at *129p*, after 130p, in quietly firm Textiles. Coats Patons improved 1¼ to 32½p and Worth Bond hardened 2 to 33p. Tobacco leaders had a good day, with Imps closing 3 higher at a 1975 high of 73½p. Bats rose 8 to 303p, after 305p.

Abercom Investments came on offer, the Ordinary falling 20 to 300p, while the new nil-paid shares reacted 5 to 25p premium. Also dull were Hulett's Corporation, 15 off at 285p, and O.K. Bazaars "A," 20 cheaper at 850p.

Plantations closed slightly firmer for choice after a moderate business. Guthrie [illegible] higher at 154p, after 157[illegible]

Golds climb back

Gold shares regained [illegible] the recent losses in line [illegible] bullion price which wa[illegible] $2.75 up at $153 per ounc[illegible] still $6.50 below the level [illegible] it was standing before ne[illegible] International Monetary F[illegible] agreement. The Gold Min[illegible] rose 12.9 to 321.2.

Of the recoveries, the [illegible] producing Hartebeest pu[illegible] to £23½ while rises of [illegible] seen in Durban Deep (72[illegible] Driefontein (970p) and [illegible] (900p).

Apart from a fall of 40 [illegible] in Patino, Financials were [illegible] better. Among the mode[illegible] Gold Fields rose 10 [illegible] Minorco, however, eased [illegible] in front of the sharply [illegible] dividend and profits.

RTZ, which is due to r[illegible] half-year results on Septe[illegible] improved 4 to 163p partl[illegible] with the firmer U.K. [illegible] market and partly on the [illegible] price of copper. P[illegible] hardened.

Tin shares continued [illegible] higher on a quiet in[illegible] demand, Gopeng rising 7 [illegible] London Tin gained 5 [illegible] Sungei Besi were uncha[illegible] 45p following the annual [illegible]

Australians made a [illegible] mixed showing despite [illegible] trend overnight in Melbo[illegible] Sydney. Oakbridge lost [illegible] while Pancontinental reco[illegible] to 530p after Wednesday[illegible] Elsewhere, Westfield [illegible] gained 5 to 68p.

FINANCIAL TIMES STOCK INDICES

	Sept. 4	Sept. 3	Sept. 2	Sept. 1	Aug. 29	Aug. 28
Government Secs.	61.68	61.50	61.57	61.59	61.28	60.97
Fixed Interest	61.15	61.04	61.03	61.02	60.97	60.78
Industrial Ordinary	329.3	320.9	322.1	323.4	327.5	322.4
Gold Mines	321.2	308.3	302.9	318.0	347.0	344.8
Ord. Div. Yld.	6.29	6.45	6.43	6.57	6.33	6.45
Earnings Yld. % (full)	18.11	18.59	18.68	18.98	18.50	18.49
P/E Ratio (net) (a)	7.87	7.66	7.66	7.50	7.76	7.70
Dealings marked	4,461	4,826	5,453	5,230	5,371	5,180
Equity turnover £m.	—	40.15	46.00	56.32	59.76	55.40
Equity bargains total	—	10,368	13,522	14,420	12,718	13,084

10 a.m. 321.4. 11 a.m. 321.3. Noon 323.5. 1 p.m. 323.6. 2 p.m. 325.3. 3 p.m. 329.0.
Latest index 01-246 8026.
(a) Based on 52 per cent. corporation tax. (b) Nil=7.52.
Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Ind. Ord. 1/7/35. Mines 12/9/55. SE Activity July-Dec. 1942.

HIGHS AND LOWS

	1975 High	1975 Low	Since Compilation High	Since Compilation Low
Govt. Secs.	62.54 (20/3)	49.18 (3/1)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	62.51 (21/3)	50.65 (3/1)	150.4 (28/11/47)	50.53 (3/1/75)
Ind. Ord.	365.5 (6/6)	146.0 (6/1)	543.6 (19/5/72)	49.4 (26/6/40)
Gold Mines	442.4 (22/5)	280.2 (20/1)	442.3 (22/5/75)	43.5 (26/10/71)

S.E. ACTIVITY

	Sept. 4
Daily—	
Gilt-Edged	146.2
Industrials	141.3
Speculative	62.5
Totals	101.5
5-day Av'r'ge	
Gilt-Edged	165.8
Industrials	168.4
Speculative	59.2
Totals	119.8

F.T.—ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, The Institute of Actuaries and the Faculty of Actuaries

EQUITY GROUPS
GROUPS & SUB-SECTIONS
Figures in parentheses show number of stocks per section.

	Group	Thursday, Sept. 4, 1975: Index No.	Day's Change %	Est. Earnings Yield % (Max) Corp. Tax 52%	Gross Div. Yield % (ACT at 35%)	Est. P/E Ratio (net) Corp. Tax 52%	Est. P/E Ratio (nil) Corp. Tax 52%	Wed. Sept. 3 Index No.	Tuesday Sept. 2 Index No.	Monday Sept. 1 Index No.	Friday August 29 Index No.	Year ago (approx.) Index No.	1975 High	1975 Low	Since Compilation High	Since Compilation Low
1	CAPITAL GOODS (179)	119.77	+1.8	19.28	6.76	7.74	7.73	117.60	117.07	118.31	118.59	76.03	131.26 (6/6)	51.78 (6/1)	206.57 (4/6/72)	15.70 (13/12/74)
2	Building Materials (30)	113.23	+3.0	15.33	7.03	9.91	9.90	109.92	108.37	109.91	109.58	72.58	117.40 (22/4)	45.11 (6/1)	235.84 (2/5/72)	44.27 (11/12/74)
3	Contracting, Construction (23)	219.91	+3.2	16.36	4.19	9.21	9.21	212.99	213.86	216.45	212.67	112.50	251.61 (25/4)	74.74 (6/1)	389.33 (19/6/72)	71.48 (12/12/74)
4	Electricals (17)	217.89	+1.9	18.70	5.32	7.86	7.85	213.77	213.74	217.13	222.39	144.91	234.64 (6/6)	98.49 (2/1)	350.04 (4/6/72)	84.71 (25/6/62)
5	Engineering (Heavy) (13)	144.85	+2.1	23.25	7.50	6.55	6.55	141.82	140.73	141.44	139.67	91.16	159.79 (22/4)	64.39 (2/1)	202.57 (8/6/73)	64.39 (2/1/75)
6	Engineering (General) (63)	101.33	+0.9	21.58	8.12	6.85	6.85	100.47	100.11	100.89	100.91	64.51	117.40 (6/6)	45.43 (6/1)	168.59 (4/5/72)	45.43 (6/1/75)
7	Machine and Other Tools (9)	40.60	+1.0	19.20	10.15	9.50	9.50	40.21	40.37	40.39	40.00	28.50	48.98 (20/6)	20.11 (2/1)	136.70 (4/7/65)	19.96 (13/12/74)
8	Miscellaneous (24)	101.76	+0.6	24.20	7.69	6.19	6.19	101.16	100.44	100.29	99.58	68.84	121.76 (6/6)	49.65 (6/1)	177.41 (27/4/72)	49.65 (6/1/75)
9	CONSUMER GOODS (DURABLE) (57)	93.95	+2.0	19.12	6.57	7.63	7.62	92.11	90.67	91.88	91.44	59.78	93.95 (4/9)	38.39 (6/1)	227.78 (21/4/72)	38.39 (6/1/75)
10	Electronics, Radio TV etc. (15)	113.67	+2.5	17.34	4.70	8.55	8.52	111.10	108.55	110.73	110.41	66.00	113.67 (4/9)	44.26 (6/1)	257.41 (19/5/72)	42.85 (12/12/74)
11	Household Goods (15)	137.36	+1.0	18.73	7.46	7.74	7.74	136.01	136.40	135.52	133.85	95.19	146.90 (23/4)	64.53 (6/1)	263.22 (4/6/72)	63.92 (17/12/74)
12	Motors and Distributors (27)	47.52	+1.9	22.91	9.82	6.27	6.24	46.64	46.32	46.52	46.42	33.86	50.91 (6/6)	19.91 (6/1)	170.59 (15/1/69)	19.91 (6/1/75)
13	CONSUMER GOODS (NON-DURABLE) (168)	134.49	+2.1	14.85	5.29	9.72	9.66	131.79	131.37	132.71	133.99	81.75	146.45 (6/6)	61.98 (6/1)	226.08 (16/8/72)	61.41 (13/12/74)
14	Breweries (16)	152.08	+1.4	15.09	5.69	11.66	11.56	150.06	149.62	150.97	152.88	95.72	163.85 (6/6)	75.58 (6/1)	281.87 (28/11/72)	69.47 (13/12/74)
15	Wines and Spirits (7)	134.92	+1.1	14.42	7.51	10.46	10.46	133.41	138.16	141.24	141.73	107.15	177.94 (8/7)	80.48 (6/1)	257.40 (13/7/72)	78.88 (13/12/74)
16	Entertainment, Catering (16)	154.12	+1.7	13.54	7.30	11.45	10.87	151.51	149.60	152.08	152.56	76.27	158.44 (27/6)	55.28 (6/1)	329.99 (12/12/72)	54.83 (6/1/75)
17	Food Manufacturing (22)	146.54	+1.9	14.11	5.56	9.74	9.70	142.84	141.52	143.35	145.34	79.00	156.67 (6/6)	62.03 (2/1)	211.65 (1/5/72)	59.77 (11/12/74)
18	Food Retailing (16)	139.35	+3.3	10.50	4.62	13.66	13.66	134.89	134.41	138.63	136.17	73.77	149.17 (4/6)	57.15 (2/1)	235.08 (15/8/72)	54.25 (11/12/74)
19	Newspapers, Publishing (15)	130.97	+0.4	15.83	7.45	9.63	9.63	130.44	129.96	131.14	130.21	96.84	152.14 (6/6)	55.08 (6/1)	260.29 (18/1/72)	55.08 (6/1/75)
20	Packaging and Paper (13)	89.04	+1.9	24.82	8.26	5.91	5.92	87.41	87.03	88.36	88.92	61.00	107.12 (20/5)	43.46 (6/1)	135.69 (28/4/72)	43.46 (6/1/75)
21	Stores (31)	117.17	+2.2	12.32	5.57	12.37	12.37	114.60	114.86	115.61	116.45	70.01	132.94 (20/5)	52.65 (6/1)	204.39 (16/8/72)	52.63 (6/1/75)
22	Textiles (23)	139.05	+3.4	24.80	7.70	4.86	4.74	134.47	132.76	134.65	133.99	95.56	145.07 (27/5)	62.91 (6/1)	253.72 (17/8/65)	62.66 (11/12/74)
23	Tobacco (3)	192.57	+1.8	17.60	7.00	8.65	8.65	189.10	187.32	188.46	193.25	122.81	199.16 (10/5)	109.92 (6/1)	339.16 (22/2/72)	94.34 (13/6/62)
24	Toys and Games (6)	49.35	+4.0	27.59	7.35	5.02	5.02	47.47	46.64	46.41	45.80	29.33	49.35 (4/9)	20.92 (6/1)	135.72 (16/1/70)	20.92 (6/1/75)
	OTHER GROUPS (92)															
25	Chemicals (24)	173.51	+2.2	19.96	5.28	7.18	7.17	169.84	167.78	169.38	169.79	102.11	189.17 (6/6)	73.14 (6/1)	201.92 (31/1/69)	71.20 (11/12/74)
26	Office Equipment (10)	81.75	+1.2	16.83	6.37	8.29	8.29	80.79	78.79	80.06	77.25	67.47	104.78 (17/4)	45.54 (2/1)	246.06 (1/9/72)	46.34 (2/1/75)
27	Shipping (12)	336.46	+2.5	25.50	7.13	5.06	4.90	328.29	329.93	331.29	328.30	248.11	401.84 (10/3)	194.38 (6/1)	517.00 (5/12/72)	90.80 (29/6/62)
28	Miscellaneous (46)	138.54	+1.3	19.47	7.25	7.52	7.52	136.75	136.01	137.79	136.64	91.43	153.58 (6/6)	60.39 (6/1)	258.85 (2/5/72)	60.39 (6/1/75)
29	INDUSTRIAL GROUP (496)	131.64	+1.9	17.40	6.36	8.33	8.30	129.13	128.37	129.73	130.19	82.35	143.45 (6/6)	59.19 (6/1)	220.17 (1/5/72)	59.01 (13/12/74)
30	OILS (4)	305.52	+1.6	24.09	4.97	4.45	4.15	300.86	301.70	304.30	304.34	167.35	305.52 (4/9)	105.83 (2/1)	431.66 (29/5/69)	87.23 (29/5/62)
31	500 SHARE INDEX	146.04	+1.9	18.48	6.14	7.31	7.15	143.34	142.70	144.17	144.60	88.74	156.14 (6/6)	63.49 (6/1)	227.96 (15/8/72)	63.49 (13/12/74)
32	FINANCIAL GROUP (100)	129.80	+1.8	—	5.84	—	—	127.56	126.35	129.05	128.84	81.34	148.45 (20/5)	56.50 (6/1)	241.41 (11/4/72)	55.88 (13/12/74)
33	Banks (6)	152.46	+3.1	19.36	5.25	7.91	7.91	147.86	146.97	150.29	150.22	88.99	177.11 (6/6)	62.56 (2/1)	288.32 (3/7/72)	62.44 (12/12/74)
34	Discount Houses (9)	153.39	+2.1	—	7.89	—	—	150.28	150.10	153.96	148.04	104.28	169.27 (7/5)	84.15 (6/1)	293.13 (2/7/72)	81.40 (10/12/74)
35	Hire Purchase (5)	90.28	−0.9	20.05	9.36	7.14	6.57	91.08	91.38	93.36	94.19	80.90	134.39 (10/5)	42.81 (6/1)	433.72 (4/5/72)	38.83 (11/12/74)
36	Insurance (Life) (9)	110.16	+0.9	—	6.20	—	—	109.20	108.87	110.67	110.67	65.96	127.97 (23/4)	44.88 (2/1)	194.46 (15/5/72)	44.88 (2/1/75)
37	Insurance (Composite) (7)	107.45	+1.2	—	6.13	—	—	106.13	103.93	106.48	107.79	60.45	123.90 (20/5)	44.47 (2/1)	155.76 (21/4/72)	43.96 (13/12/74)
38	Insurance (Brokers) (8)	193.85	+0.4	10.50	4.49	14.17	14.17	193.17	193.17	196.07	198.22	104.98	211.50 (20/5)	68.96 (7/1)	262.57 (12/12/72)	65.86 (16/12/74)
39	Merchant Banks (19)	82.58	+0.9	—	6.76	—	—	81.85	82.26	83.65	83.75	59.31	94.97 (7/3)	31.21 (7/1)	278.57 (1/5/72)	31.21 (7/1/75)
40	Property (32)	168.48	+2.0	3.56	3.56	46.17	43.85	165.12	162.92	166.45	161.75	128.22	241.22 (22/4)	88.19 (7/1)	357.40 (9/11/73)	56.01 (20/4/65)
41	Miscellaneous (5)	64.56	−0.3	17.53	10.30	8.41	8.32	64.73	65.76	66.93	64.73	55.97	75.78 (25/3)	34.78 (10/1)	303.13 (12/5/72)	33.29 (17/12/74)
42	Investment Trusts (50)	157.28	+0.2	3.15	4.49	31.75	31.73	156.94	157.30	157.85	154.95	92.25	178.63 (6/6)	73.43 (6/1)	245.79 (25/4/73)	71.63 (13/12/74)
43	ALL-SHARE INDEX (650)	142.30	+1.8	—	5.92	—	—	139.84	139.14	140.80	140.92	86.78	154.09 (6/6)	62.16 (6/1)	228.18 (1/5/72)	61.92 (13/12/74)
	COMMODITY GROUPS (*Not included in 500 or All-Share indices*)															
44	Rubbers (10)	407.83	−0.2	13.78	8.08	10.55	10.47	408.82	415.32	416.06	415.68	321.99	525.45 (25/6)	281.66 (2/1)	555.37 (25/7/73)	84.68 (25/6/62)
45	Teas (10)	100.51	—	40.78	10.38	3.55	3.41	100.51	100.05	100.64	100.86	68.86	104.15 (16/6)	76.76 (10/1)	121.47 (1/5/72)	59.72 (17/10/74)
46	Coppers (3)	376.65	—	52.14	20.05	1.92	1.92	376.65	385.05	388.21	391.38	347.81	467.74 (27/6)	349.52 (22/7)	567.78 (15/7/73)	94.08 (29/4/62)
47	Mining Finance (11)	117.66	+0.3	10.42	4.26	10.54	10.54	117.19	119.42	121.80	126.08	87.46	141.34 (30/5)	80.58 (22/1)	175.90 (2/4/69)	66.61 (30/9/74)
48	Tins (8)	95.36	+1.0	10.69	9.02	12.04	10.34	94.40	95.13	94.94	92.00	77.65	114.49 (2/6)	58.91 (6/1)	125.48 (12/1/73)	84.83 (27/6/71)
49	Overseas Traders (13)	211.04	+0.6	15.45	4.69	7.78	7.78	209.72	208.20	211.18	214.58	—	258.35 (20/5)	97.57 (6/1)	252.23 (20/5/75)	97.57 (6/1/75)

	FIXED INTEREST	Thurs., Sept. 4 Index No.	Thurs., Sept. 4 Yield %	Wed. Sept. 3	Tues. Sept. 2	Mon. Sept. 1	Friday August 29	Thurs. August 22	Wed. August 27	Tues. August 26	Year ago (approx.)	1975 High	1975 Low	Since Compilation High	Since Compilation Low
1	Consols 2½% yield	—	13.92	13.91	13.91	13.90	13.98	14.18	14.17	14.17	15.31	—	—	—	—
2	20-yr. Govt. Stocks (6)	51.27	‡12.71	51.00	51.01	*50.97	50.41	49.93	49.95	50.06	46.53	53.09 (20/3)	38.27 (3/1)	115.48 (11/9/63)	38.27 (3/1/75)
3	20-yr. Red. Deb. & Loans (15)	48.08	‡15.34	47.99	47.76	47.74	47.95	47.72	47.70	47.59	42.55	50.68 (21/3)	37.01 (3/1)	113.45 (23/10/63)	37.01 (3/1/75)
4	Investment Trusts Prefs. (15)	46.55	14.86	46.53	46.55	46.58	46.58	46.86	46.81	46.90	38.28	47.30 (29/7)	35.35 (3/1)	114.41 (13/9/63)	34.45 (4/12/74)
5	Coml. and Indl. Prefs. (20)	65.39	14.38	65.37	65.64	65.55	65.61	65.66	65.47	65.80	53.59	68.02 (6/8)	48.35 (3/1)	114.95 (11/10/63)	47.67 (6/1/75)

Section or Group	Base Date	Base Value	Section or Group	Base Date	Base Value
Overseas Traders	31/12/74	100.00	Food Manufacturing	29/12/67	114.13
Engineering (Heavy)	31/12/71	153.84	Food Retailing	29/12/67	114.13
Engineering (General)	31/12/71	153.84	Insurance Brokers	29/12/67	96.67
Wines and Spirits	16/1/70	144.76	Mining Finance	29/12/67	100.00
Toys and Games	16/1/70	135.72	All Other	10/4/62	100.00
Office Equipment	16/1/70	142.78			
Industrial Group	31/12/70	128.20			
Miscellaneous Financial	31/12/70	128.06			

‡ Redemption yield. FT-Actuaries indices are calculated by Extel Communications Limited (a member of the Exchange Telegraph Group) on an IBM 370 computer.

A list of the constituents of the FT-Actuaries Share Indices is now available from the Publishers, the Financial Times, Bracken House, Cannon Street, London, EC4P 4BY, price 13p. By inland post 18p. Commonwealth 18p. Foreign 22p.

CONSTITUENT CHANGE: Mercantile Credit has been replaced by Lloyds and Scottish (Hire Purchases). * Corrected.

ACTIVE STOCKS

Stock	Denomination	No. of marks	Closing price (p)	Change on day	1975 high	1975 low
ICI	£1	21	282	+15	302	118
Barclays Bank	£1	13	280	+8	325	112
Midland Bank	£1	12	262	+10	305	122
Distillers	50p	10	112	+5	150	65½
Hanson Trust	25p	10	109	+2	109	41
Permali	10p	10	27½	—	29½	8½
BPB Inds. 'New'	Nil/pd.	9	42½*	—	42½*	32*
"Bats"	25p	9	303	+8	338	164
Brit. Leyland	50p	9	40	+5	57	20
BP	£1	9	543	+3	555	190
Cons. Gold Fields	25p	9	220	+10	290	188
RTZ	25p	9	163	+4	211	80
Beecham	25p	8	304	+3	310	116
Grand Met.	50p	8	69	+3	69	19½
Imperial Group	25p	8	73½	+3	73½	32

The above list of active stocks is based on the number of bargains recorded yesterday in the Official list and under Rule 163(1) (e)

Option Report—3-month Call rates

OPTION DEALING DATES

First Deal-ings	Last Deal-ings	Last Declara-tion	For Settle-ment
Sep. 2	Sep. 15	Nov. 27	Dec. 9
Sep. 16	Sep. 29	Dec. 11	Dec. 23
Sep. 30	Oct. 13	Dec. 23	Jan. 8

"Calls" were dealt in English Property, Town and Commercial, Cons. Gold Fields, R. Costain, Beaverbrook "A," MK Electric and Nairn Williamson. "Puts" were done in D. Charles and British Sugar, while "doubles" were arranged in English Property and Town and Commercial.

Industrials					
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

NEW HIGHS AND LOWS FOR 1975

The following securities (numbers in parentheses) among those quoted in the Share Information Service yesterday attained new highs and lows for 1975.

NEW HIGHS (54)

BRITISH FUNDS (4)
Treas. 3½pc '79-81 Treas. 13¼pc '97
Treas. 5pc '86-89 Funding 3½pc '99-04
CORPORATION LOANS (3)
[illegible]
COMMONWEALTH & AFRICAN LOANS (1)
[illegible]
FOREIGN BONDS (1)
[illegible]
BANKS (2)
[illegible]
BEERS (1)
[illegible]
BUILDINGS (3)
[illegible]
CHEMICALS (2)
[illegible]
DRAPERY & STORES (3)
[illegible]
ELECTRICALS (4)
[illegible]
ENGINEERING (9)
[illegible]
FOODS (4)
[illegible]
HOTELS (1)
[illegible]
INDUSTRIALS (8)
[illegible]
MOTORS (1)
[illegible]
PROPERTY (2)
[illegible]
TEXTILES (2)
[illegible]
TOBACCOS (1)
Imperial Group

NEW LOWS (6)

AMERICANS (2)
[illegible]
ENGINEERING (1)
[illegible]
MOTORS (1)
[illegible]
[illegible]

RISES AND FALLS YESTERDAY

	Up	Down	Same
British Funds	[illegible]	[illegible]	[illegible]
Corpns. Dom. and Foreign Bonds	[illegible]	[illegible]	[illegible]
Industrials	[illegible]	[illegible]	[illegible]
Financial and Prop.	[illegible]	[illegible]	[illegible]
Oils	[illegible]	[illegible]	[illegible]
Plantation	[illegible]	[illegible]	[illegible]
Mines	[illegible]	[illegible]	[illegible]
Recent Issues	[illegible]	[illegible]	[illegible]
Totals	[illegible]	[illegible]	[illegible]

MONEY MARKET

Full credit supply

Bank of England Minimum Lending Rate 11 per cent. (since July 25, 1975)

Day-to-day credit was good supply in the London money market yesterday and the authorities sold a large amount of Treasury bills to the Discount houses and banks to absorb surplus funds. There was a net market take-up of Treasury bills to finance and maturing commercial bills were also against the market's favour. These were more than balanced however by an excess of Government disbursements over revenue transfers to the Exchequer, a fall in the note circulation, overall bank balances and a small amount of Savings 3 per cent. redemption money.

Discount houses paid 9½-9 per cent. for secured call loans at the start, and up to 10 per cent. was paid in places. At the close rates were in the region of 8½-9 per cent. [illegible] per cent., finished at 9½-10.

Short-term fixed period interest rates were generally easier, with the two-month sterling certificate yield easing to 10½-10⅜ per cent. [illegible] Rates in the table below are [illegible]

Sept. 4 1975	Sterling Certificate of deposits	Interbank	Local Authority deposits	Local Auth. negotiable bonds	Finance house deposits	Company deposits	Discount market deposit	Treasury bills ♦	Bank bills ♦	Fine trade bills ♦
Overnight	—	9-10	—	—	—	—	[illegible]	—	—	—
2 days notice	—	—	[illegible]	—	—	—	—	—	—	—
7 days or	—	[illegible]	[illegible]	—	—	—	[illegible]	—	—	—
7 days notice	—	[illegible]	[illegible]	—	—	—	—	—	—	—
One month	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Two months	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	—	[illegible]	[illegible]	[illegible]
Three months	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Six months	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	—	—	[illegible]	[illegible]
Nine months	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	—	—	—	—
One year	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	—	—	—	—
Two years	—	—	[illegible]	[illegible]	—	—	—	—	—	—

† Local authority and finance houses seven days' notice, others seven days fixed. [illegible]

BASE LENDING RATES

AFI International [illegible]
Allied Irish Banks Ltd [illegible]
Anglo-Portuguese Bank [illegible]
Henry Ansbacher [illegible]
Banco de Bilbao [illegible]
Banco de Jerez [illegible]
Bank of Cyprus [illegible]
Bank of N.S.W. [illegible]
Barclays Bank [illegible]
Barnett Christie Ltd. [illegible]
Bremar Holdings Ltd [illegible]
Brit. Bank of Mid. East [illegible]
■ Brown Shipley [illegible]
Cayzer Ltd. [illegible]
Cedar Holdings [illegible]
■ Charterhouse Japhet [illegible]
C. E. Coates [illegible]
Consolidated Credits [illegible]
Continental Trade Bk. [illegible]
Co-operative Bank [illegible]
Copleys Bank [illegible]
Corinthian Securities [illegible]
Credit Lyonnais [illegible]
G. R. Dawes [illegible]
Duboff Brothers [illegible]
Duncan Lawrie [illegible]
English Transcont. [illegible]
First London Secs. [illegible]
■ Antony Gibbs [illegible]
Goode Durrant Trust [illegible]
Greyhound Guaranty [illegible]
Grindlays Bank [illegible]
■ Guinness Mahon [illegible]
■ Hambros Bank [illegible]
Hawtin & Partners [illegible]
■ Hill Samuel [illegible]
C. Hoare & Co. [illegible]
Julian S. Hodge [illegible]
Industrial Bank of Scot. [illegible]
Jacobs, Kroll [illegible]
Keyser Ullmann [illegible]
Knowsley & Co. Ltd. [illegible]
Lloyds Bank [illegible]
London & European [illegible]
London Mercantile [illegible]
Midland Bank [illegible]
■ Samuel Montagu [illegible]
■ Morgan Grenfell [illegible]
National Westminster [illegible]
Northern Comm. Trust [illegible]
Norwich General Trust [illegible]
Portman Guaranty [illegible]
P. S. Refson & Co. [illegible]
Rossminster Accept's [illegible]
Royal Trust of Canada [illegible]
Schlesinger Limited [illegible]
E. S. Schwab [illegible]
Security Trust Co. Ltd. [illegible]
Shenley Trust [illegible]
Standard & Chartered [illegible]
Sterling Credit [illegible]
Thames Guaranty [illegible]
Trade Development Bk. [illegible]
Twentieth Century Bk. [illegible]
United Bank of Kuwait [illegible]
Wallace Brothers Bank [illegible]
Whiteaway Laidlaw [illegible]
Williams and Glyn's [illegible]
Yorkshire Bank [illegible]

■ Members of the Accepting Houses Committee.
* 7-day deposits [illegible]
† 7-day deposits on sums of [illegible]
‡ Demand deposits [illegible]

CORAL INDEX Close 329-334

I.G. INDEX GOLD 152-155

INSURANCE BASE RATES

† Atlantic Assurance [illegible]
Cannon Assurance [illegible]
Property Bond [illegible]

AUTHORISED UNIT TRUSTS

G. & A. Un. Tst. Mgrs. Ltd.(a)(g)
5, Rayleigh Rd., Brentwood. (0277) 227300

Gartmore Fund Managers♥
2, St. Mary Axe, EC3A 8BP. 01-283 3531

British Trust	30.5	32.8	+0.6	4.26
High Income Tst.	28.6	30.7	+0.3	12.28
(Z)Overseas Tst.	23.2	24.9	−0.3	1.65

REGIONAL MARKETS

Following the merger last year of U.K. stock exchanges, a selection of the share prices previously shown under regional headings is presented below with quotations in London. Irish issues, most of which are not officially listed in London, are shown separately and with prices as on the Irish exchange.

Albany Inv. 20p	14	—	Craig Ship. £1	405	—	Shiloh Spinn.	25	—
Ash Spinning	36	—	Hallam Sleigh 10p	6	—	Sindall (Wm.)	40	—
Bertam	18	—	Higsons Brew.	80	—			
Bdg'wtr. Est. 50p	120	+5	I.O.M. Stm. £1	120	—	IRISH		
Clover Croft	35	—	Holt (Jos.) 25p	185	—			
Craig & Rose £1	310	—	Kleen-e-Ze	18	+1	Alliance Gas (£1)	44	+1
Dyson (R.A.)	30	—	Lovell's Ship £1	115	—	Carroll (P.J.)	115	+3
Ellis & McHdy.	58	—	N'thn. Goldsmith	92	—	Clondalkin	50	—
Evans Fr'k. 10p	35	—	P.M.A.	31	—	Concrete Prods.	68	—
Evered	9	—	Pearce (C. H.)	60	—	Goodbody (£1)	38	—
Fife Forge	47	—	Peel Mills	12	—	Heiton (Hldgs.)	31	+3
Finlay Pkg. 5p	16	—	Richards 10p	12	+1	Irish Distillers	66	—
Frost & Reed 50p	83	−2	RobbCaledon5p	20	—	Irish Wire	40	—
Gardiner & Sons	21	—	Sayers 12½p	8	—	Jacob	53	+1
Gardner (L.)	70	—	Sheffield Brick	58	—	Sunbeam	18	+2½
			Sheff. Refrshmt.	163	—	Unidare	55	−5

FOOD PRICE MOVEMENTS

	Sept. 4 £	Week ago £	Month ago £
BACON			
Danish A.1 per ton†	800	800	845
British A.1 per ton†	795	795	840
Irish Special per ton†	795	795	840
Polish A.1 per ton†	—	—	—
Ulster A.1 per ton†	795	795	840
BUTTER (packet)			
NZ per 20 lbs†	7.09-7.15	7.09-7.15	7.09-7.15
English per cwt†	42.77-42.92	42.92	42.77-42.92
Danish salted per cwt†	44.27-45.53	45.30-45.53	43.30-43.51
CHEESE¶			
English cheddar white rindless 40-lb per cwt	—	—	—
NZ per 20 kilos	15.61	15.61	15.61
EGGS*			
Home-prod. Standard	2.40-2.60	—	2.10-2.30
Large	2.80-3.10	—	2.70-2.90

	Sept. 4 per pound p p	Week ago per pound p p	Month ago per pound p p
BEEF			
Scotch killed sides ex KKCF	29.5—32.5	29.5—32.5	28.0—32.0
Eire forequarters	20.0—22.0	19.5—21.0	17.0—18.0
Argentine chilled rumps	—	—	—
LAMB			
English	27.0—30.0	30.0—32.0	26.0—28.0
NZ 2s-Ds	28.0—30.0	28.0—29.5	28.0—29.0
PORK (all weights)	24.0—35.0	24.0—34.0	22.5—32.0
MUTTON			
English ewes	10.0—11.0	10.0—11.0	12.0—13.0
POULTRY			
Broiler chickens	23.0—27.0	23.5—27.0	24.0—27.5

* London Egg Exchange price per 120 eggs. † Delivered. § London and National Provision Exchange price. ¶ For delivery September 6-13. ** FMC prices.

INSURANCE, PROPERTY, BONDS

OFFSHORE AND OVERSEAS FUNDS

NOTES

FT SHARE INFORMATION SERVICE

**BRITISH FUNDS

1975 High	Low	Stock	Price £	+ or –	Yield Int.	Red.
		"Shorts" (Lives up to Five Years)				
99⅝	94⅜	Exch.6½pc 1976‡‡	98	+¼	6.62	10.95
97¾	92	Treasury 6½pc 1976‡‡	96	+¼	6.71	10.11
99	97	Victory 4pc 1976‡‡	99		4.04	—
102	96⅞	Treasury 10½pc 1976‡‡	99	–¼	10.50	10.46
95¼	88⅞	Treasury 6¼pc 1977‡‡	94	+¼	6.59	10.07
94⅝	86¾	Electric 3pc 74-77	93⅞xd	.....	3.19	7.32
103	96⅞	Treasury 11½pc '77‡‡	101	+	11.33	10.69
88½	84	Treasury 3pc '77‡‡	88¼	+	3.40	9.00
90⅝	84⅜	Transport 4pc 72-77	89¾	..	4.46	9.04
96	90½	Treasury 9pc 1978‡‡	94¾xd	+	9.50	11.46
100	96	Treasury 10¼pc '78‡‡	97	+	10.76	11.49
87½	79	Exchequer 5pc '76-78‡‡	87¼	....	5.73	9.94
103	94	Treasury 11½pc '79‡‡	100xd	+⅛	11.50	11.51
79⅝	71⅜	Treasury 3pc '79‡‡	78 xd	+	3.82	9.52
81	73⅞	Electric 4¼pc '74-79	80⅞	....	5.25	10.11
100	94	Treasury 10½pc '79‡‡	97	+⅛	10.82	11.39
79½	71	Electric 3½pc '76-79	79¼	....	4.42	9.61
95	84	Treasury 9pc 1980‡‡	91⅛xd	+⅛	9.88	11.59
95	91	Treasury 8½pc '80‡‡	91⅝	+⅛	10.37	11.86
79	68¼	Treasury 3½pc '77-80	77¼	+¼	4.53	9.52
84½	71	Funding 5¼pc '78-80‡‡	83¼	+¼	6.31	9.79
		Five to Fifteen Years				
76¼	66⅛	Treasury 3½pc '79-81	76¼	+⅛	4.60	9.16
91⅛	72⅝	Do 8¼pc '80-82‡‡	87¼	+⅛	9.88	11.65
104⅜	86⅝	Treasury 12pc 1983‡‡	98¼xd	+⅛	12.16	12.29
78	58	Funding 5½pc '82-84‡‡	75¼	+⅛	7.39	10.08
85¼	61⅛	Treasury 8½pc '84-86‡‡	82⅞	+¼	10.42	11.51
73¼	51⅜	Funding 6½pc '85-87‡‡	72⅛	+¼	9.30	11.18
76¼	53	Treasury 7¾pc '85-88‡‡	73⅝	+⅛	10.65	12.02
47¼	32⅞	Transport 3pc '78-88	46⅝	+¼	6.51	10.90
56⅞	39¼	Treasury 5pc '86-89	56⅞	+⅛	9.10	11.54
		Over Fifteen Years				
75½	53¼	Treasury 8¼pc '87-90‡‡	72½	+⅛	11.68	12.68
57⅛	41⅜	Funding 5¾pc '87-91‡‡	54⅞xd	+⅛	10.39	12.24
94⅝	94⅛	Treasury 12¾pc '92‡‡	94⅝	....	13.62	13.73
97½	85⅞	Treasury 12½pc '93‡‡	93⅝	+½	13.61	13.72
55⅛	40½	Funding 6pc 1993‡‡	52¾xd	+⅛	11.34	12.71
75¼	54⅛	Treasury 9pc '94‡‡	72¼	+⅛	12.95	13.45
34⅞	24¾	Gas 3pc '90-95	34⅝	+⅛	8.93	11.70
102	75	Treasury 12¾pc '95‡‡	96¾	+½	13.74	13.79
71½	54¾	Treasury 9pc '92-96‡‡	68¾xd	+½	13.12	13.57
33½	26½	Redp 3pc 1986-96	32¼xd	....	9.24	11.69
97½	93¼	Treasury 13¼pc '97‡‡	97½	+⅝	13.85	13.87
69⅛	53¼	Treasury 8¾pc 1997‡‡	66⅝	+⅛	13.15	13.55
59⅞	40¾	Treasury 6¾pc '95-98‡‡	55½	+⅛	12.70	13.35
75⅛	54¼	Treasury 9½pc 1999‡‡	72⅜	+½	12.38	13.62
30½	22	Funding 3½pc '99-04	30½	+⅛	11.67	12.56
62	47	Treasury 8pc '02-06‡‡	59¼xd	+⅛	13.38	13.55
43¼	33	Treasury 5½pc '08-12‡‡	41⅝xd	+¼	13.19	13.34
59⅝	43⅞	Treasury 7¾pc '12-15‡‡	58	+⅛	13.56	13.60
		Undated				
29¼	22⅛	Consols 4pc	28¾	+⅛	14.10	—
27¼	20⅛	War Loan 3½pc‡‡	26½	+⅛	13.68	—
27½	22⅜	Conv. 3½pc '61 Aft.	26xd	+⅛	13.33	—
22⅝	17½	Treasury 3pc 66 Aft.	21⅛xd	.....	14.03	—
18⅝	14¼	Consols 2½pc	17¼xd	.....	13.92	—
18⅝	14¼	Treasury 2½pc	17½xd	.....	14.14	—

**INTERNATIONAL BANK

1975 High	Low	Stock	Price £	+ or –	Yield Int.	Red.
68	58	5pc Stock '77-82	65¼	.	7.54	12.30
97½	91½	8pc Stock 1976	97¼	–¼	8.22	11.19

**CORPORATION LOANS

[illegible]

COMMONWEALTH & AFRICAN LOANS

[illegible]

LOANS (Miscel.)

[illegible]

FOREIGN BONDS & RAILS

[illegible]

U.S. $ DM Prices exclude inv. $ premium

AMERICANS

[illegible]

S.E. List Premium 59⅝% (based on $2.1116 per £)

CANADIANS

[illegible]

S.E. List Premium 59⅝% (based on $2.1765 per £)

Conversion factor 0.6257 (0.6286)

††BANKS AND HIRE PURCHASE

[illegible]

Hire Purchase, etc.

[illegible]

BEERS, WINES AND SPIRITS

[illegible]

BUILDING INDUSTRY, TIMBER & ROADS

[illegible]

BUILDING INDUSTRY—Continued

[illegible]

CHEMICALS, PLASTICS

[illegible]

CINEMAS, THEATRES AND TV

[illegible]

DRAPERY AND STORES

[illegible]

DRAPERY AND STORES—Continued

[illegible]

ELECTRICAL AND RADIO

[illegible]

ENGINEERING, MACHINE TOOLS

[illegible]

ENGINEERING—Cont.

[illegible]

FOOD, GROCERIES, ETC.

[illegible]

HOTELS & CATERERS

[illegible]

HOTELS—Continued

[illegible]

INDUSTRIALS (Miscel.)

[illegible]

هكذا من الأصل

هكذا من الأصل

INDUSTRIALS—Continued

[illegible]

INDUSTRIALS—Continued

[illegible]

INSURANCE

[illegible]

MOTORS, AIRCRAFT TRADES

Motors and Cycles

[illegible]

Commercial Vehicles

[illegible]

Components

[illegible]

Garages and Distributors

[illegible]

NEWSPAPERS, PUBLISHERS

[illegible]

PAPER, PRINTING, ADVERTISING

[illegible]

PROPERTY

[illegible]

PROPERTY—Continued

[illegible]

SHIPBUILDERS, REPAIRERS

[illegible]

SHIPPING

[illegible]

SHOES AND LEATHER

[illegible]

SOUTH AFRICANS

[illegible]

TEXTILES

[illegible]

TOBACCOS

[illegible]

TRUSTS, FINANCE, LAND

Investment Trusts

[illegible]

TRUSTS—Continued

[illegible]

Finance, Land, Etc.

[illegible]

OILS

[illegible]

OVERSEAS TRADERS

[illegible]

RUBBERS AND SISALS

[illegible]

TEAS

India and Bangladesh

[illegible]

Sri Lanka

[illegible]

Africa

[illegible]

MINES

CENTRAL RAND

[illegible]

EASTERN RAND

[illegible]

FAR WEST RAND

[illegible]

O.F.S.

[illegible]

FINANCE

[illegible]

DIAMOND AND PLATINUM

[illegible]

CENTRAL AFRICAN

[illegible]

AUSTRALIAN

[illegible]

TINS

[illegible]

COPPER

[illegible]

MISCELLANEOUS

81½	3	[illegible]	5		[illegible]	—	[illegible]
65	17	[illegible]	53½	−2	—	—	—
115	75	[illegible]	75		—	—	—
760	360	Cons. Murch. 10c	660		[illegible]	2.2	
53½	29½	[illegible]	40	−1	—	—	—
39	11	[illegible]	23	−1	—	—	—
375	200	Northgate C$1	275	−10	Q55c	1.0	[illegible]
211	89	R.T.Z.	163	−4	4.97	4.4	[illegible]
135	47½	Sabina Inds C$1	80	−3	—	—	—
81	51	Stanford Mines [illegible]	51	−5	—	—	—
£12½	875	Tara Expln. $1	£11½		—	—	—
78	58	Yukon Cons. C$1	66		—	—	—

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. They are adjusted to ACT of 35 per cent. P/Es are calculated on the basis of net distribution; bracketed figures indicate 10 per cent. or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution. Yields, assuming maintenance of net dividends on current rate of ACT, are based on middle prices, are gross and allow for value of declared distributions and rights. Securities with denominations other than sterling are quoted inclusive of the investment dollar premium.

- Δ Sterling denominated securities which include investment dollar premium.
- ■ "Tap" Stock.
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents.
- ◆ Figures or report awaited.
- †† Banks and Insurance: reserve allocations may preclude calculation of dividend cover.
- § Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividend or forecast.
- ** Free of Stamp Duty.
- ♦ Merger bid or reorganisation in progress.
- ‡ Not comparable.
- ◆ Same interim: reduced final and/or reduced earnings indicated.
- § Based on 1973 profits.
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ★ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ♥ Excluding a final dividend declaration.
- ♣ Regional price.
- ǁ No par value.

a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital; cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. q Earnings based on preliminary figures. r Australian currency. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Tax free up to 30p in the £. w Yield allows for currency clause. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Issue price. G Assumed dividend and yield after pending scrip and/or rights issue. H Figures based on prospectus or other official estimates for 1974-75. Q Gross. T Figures assumed. U No significant Corporation Tax payable. Z Dividend total to date.

Abbreviations: ᵈ ex dividend; ᵃ ex scrip issue; ʳ ex rights; ᵃ ex all; ᵈ ex capital distribution.

"Recent Issues" and "Rights" Page 18

FINANCIAL TIMES

Friday September 5 1975

Jones urges flat rate rise after 1976

BY JOHN ELLIOTT, LABOUR EDITOR, IN BLACKPOOL

A MAJOR INITIATIVE which could lead to a wages policy with flat rate pay rises being continued when the present £6 pay limit ends next August was launched last night by Mr. Jack Jones of the Transport Workers to a chorus of objections from trade union leaders representing higher-paid workers.

Mr. Jones's aim is to start a debate within the Labour movement in order to stop the TUC moving back in a year's time to a more traditional percentage-based wage system under which higher-paid workers receive more in cash terms than the low-paid.

"Maybe we should go for a flate rate increase geared to the cost of living, so that everyone receives the same for that, and then in some cases build a percentage for extra skill and responsibility on top," Mr. Jones told me last night.

Confirmation

This implies that Mr. Jones, who has dominated the annual Trades Union Congress this week, is prepared to consider going along with the Government's wish for a policy lasting more than a year. It will also be seen as confirmation by many union leaders of their fears that Mr. Jones's flat rate initiative earlier this summer, which led to the £6 policy, was never meant to be just for one year, but was aimed at starting a progressive exercise of levelling incomes to the benefit of Mr. Jones's members.

Union leaders here were critical of the idea last night, and Mr. Geoffrey Drain of the National and Local Government Officers, while not totally opposed to the idea of mixing a percentage and flat rate, as was done by the last Conservative Government, said: "Flat-rate rises are for one year only and then we must consider the future of pay structures."

Mr. John Lyons of the Electrical Power Engineers said: "Mr. Jones has made some useful points, but his argument is confused, and the effect of following his outlook would be systematically to reduce incentives at all levels in British industry, which is the reverse of what is required if Britain is to be re-equipped and reinvigorated in the coming years."

Mr. Jones's initiative, launched in an article in this week's New Statesman, has been carefully timed to catch the end of the Congress and start a discussion before the union delegates leave Blackpool to-day. Its appearance any earlier could have jeopardised the 2—1 majority gained for the flat rate policy on Wednesday, when Mr. Jones was almost alone among the Congress speakers in his total commitment to the policy.

In his article, headed "The Case Against Percentages," Mr. Jones admits that "differentials are still necessary in many industries," to reflect effort, skill and responsibility. *But* he objects to them being maintained as "built-in elements of privilege no longer required by the needs of the labour market, but merely a reflection of protectionist attitudes."

Getting richer

He also dismisses salaries of more than £20,000 a year as "unjustified and a serious economic *nonsense," and suggests that* a reduction in these levels should be considered when the present policy ends.

The core of his proposal is based on the fact that cost of living wage rises have been frequently paid in percentage form because the Government's retail price index is expressed as a percentage. "But this ignores reality. If all received the same percentage increase, based on *the RPI, then the rich get richer* and the poor inevitably get poorer."

He points out that on the current 26 per cent. RPI a man on £30 a week, but for the current £6 policy, would receive a £7.84 rise, while a man on £200 a week would get £52.26.

Congress Report, Page 9

Another oil strike by Burmah

BY RAY DAFTER

THE HALIBUT Group of oil exploration companies, headed by Burmah Oil, has made "an encouraging" North Sea discovery alongside the major Thistle Field.

Burmah, as operator for the group, said the find was some 7½ miles North-West of Thistle on block 211/18. The semi-submersible rig, Blue Water No. 3, tested 3,600 barrels of oil a day through a restricted choke.

The group is said to be encouraged by the find and, as a result, further seismic tests of the area are to be made immediately. Further drilling *will be required before it is* known whether or not the accumulation is commercial, however.

As a result, the rig is being moved to the North Central area of block 211/18 where *Burmah has always been* more optimistic about the chances of finding oil than on the initial drilling site.

In some ways, the discovery is a bonus for the group following its Thistle find. If it proves commercial, it is possible that the crude could be pumped into the nearby Brent pipeline system. Consequently, development costs might be contained.

The Halibut Group consists *of Burmah*, Champlin Petroleum (a Union Pacific subsidiary), Santa Fe Minerals, Deminex Oil and Gas, Tricentrol North Sea and Charterhouse Securities.

The Halibut announcement follows in the wake of two other promising discoveries disclosed this week in the same sector of the North Sea. On Monday it was learned that Conoco-NCB/Gulf had made a *potentially important find* north east of the Shetlands on block 211-19 (adjoining the Halibut block).

And on Wednesday British Petroleum confirmed a "significant oilfield" at Magnus (211/13) following a second well on the structure.

Dangerous rigs—Page 8

New blow to British recovery timetable

BY PAUL LEWIS, U.S. EDITOR — WASHINGTON, Sept. 4.

THE BRITISH Government's hopes of an export-led recovery next year have suffered a severe blow, as new evidence accumulates that the recession in the stronger industrial countries, like Germany, the U.S. and Japan, is deeper than had been expected.

Although the IMF managing director, Dr. Johannes Witteveen, told this week's annual meeting that he expected the industrial countries to be in bare equilibrium on current account this year in line with the forecasts contained in the June OECD outlook, it now appears that they may run a collective surplus approaching \$10bn.

This reflects in part a lower level of *economic activity* than had been anticipated and suggests that even the early stages of the hoped-for recovery have been pushed by at least six months into the middle of next year. As a result, the weaker industrial *countries like the U.K., may not* feel much benefit from the coming upturn in world trade before the end of 1976.

Faltering

These latest forecasts have caused so much concern—and indeed controversy — among senior monetary officials here *that* Dr. Otmar Emminger, the vice - president of the West German Bundesbank, abruptly cancelled the press conference he was due to give to-morrow at the end of the meeting of the OECD's working party where they will be discussed.

However, there can be no doubt that any evidence of faltering activity in the industrial world as a whole will be seized upon by those like Britain, who believe that the better placed countries—and especially Germany, the U.S. and Japan—should adopt more expansionary policies to hasten an upturn in world trade.

The biggest change is occurring in the U.S., which now seems headed for a current *account surplus of some \$10bn.* this year, compared with only \$3bn. estimated by the OECD last June.

The EEC and Canada will have a collective deficit of some \$1bn., offset by the combined surpluses of Japan and the other industrial countries. Within the Common Market, West Germany still seems headed for the \$8bn. surplus predicted by the OECD earlier this year, while the British deficit is unlikely to change much from the \$3bn. forecast in the outlook.

Although the industrial world's payments position thus appears to have strengthened considerably since the OECD made its last forecasts in June, some officials here point out that only part of the change can truly be said to reflect a lower level of internal economic activity.

In the first place, nearly half of the \$10bn. improvement comes from falling oil imports which may result from conservation as well as from lower industrial output. A further \$2bn. is accounted for by increased exports to the OPEC countries, which are reflationary, while only about \$3bn. of the improvement comes from falling non-oil imports from the rest of the world.

In time, this loss of export earnings by the non-industrialised countries whose reserves are already under pressure, must translate into lower demand for the industrial world's goods and this could be especially difficult for those like the U.K. who are relying heavily on an upturn in export demand next year.

The developing countries already face a collective deficit of some \$40bn. this year as a result of the oil exporters' continuing surplus and which they cannot hope to finance, as Dr. Witteveen also pointed out earlier in the week. They risk being driven to cut their demand for imported goods still further, so adding to the indus-

No gold sale yet—Page 5

Rees to announce stronger action

BY RICHARD EVANS, LOBBY CORRESPONDENT

A MAJOR statement announcing tough new security measures in Northern Ireland is to be made to-day by Mr. Merlyn Rees, the Ulster Secretary.

Following an hour-long meeting *between the Prime Minister* and Mr. Rees at 10 Downing Street yesterday, it was decided that the escalation in sectarian violence in the Province called for an immediate tightening of security.

Mr. Rees may make a television broadcast to back up his statement.

Among the first moves is likely to be a decision to stop the release of men detained for *suspected terrorist activity*. Mr. Rees had hoped to end detention by the end of the year.

There have been growing calls from Protestants in Ulster, and from the Conservative Party, for the present policy to be tightened up considerably.

More troops have already sent to Armagh, where the security situation has deteriorated dramatically in the last few weeks.

Mr. Rees flew back to Northern Ireland last night after his meeting with Mr. Wilson, who returned from his holiday in the Scillies earlier this week.

Our Belfast correspondent writes:— The chances of agreement over the administration of Northern Ireland was jeopardised to-day with the Rev. Ian Paisley threatening to boycott the constitutional Convention.

Mr. Paisley, whose Democratic Unionists have 12 of the 78 seats, said he would give Mr. Merlyn Rees, the Ulster Secretary, hours rather than days to act on the security situation.

Later he appeared on television and said his intention was not to withdraw from the Convention but to force its adjournment until Mr. Rees acted to improve the security situation.

A *Vanguard spokesman said* that while they understood and supported the dissatisfaction with the security policy, actions such as a total boycott of the Convention would have to be seriously debated and decided by the full United Ulster Unionist Coalition.

The Unionist Party echoed this view and said it was not a matter which had been discussed.

Mr. Paddy Devlin of the Social and Democratic Labour Party said the way to solve the situation was to keep talking. "The way not to do it is to lose our nerve or panic."

Sir Robert gave the first public hint that all was not lost by saying: "The representatives of the parties are making a determined effort to resolve some very difficult issues, and they require further time."

Meanwhile, thousands of Loyalists answered the Orange Order's call for a demonstration at Belfast City Hall in memory of the five Orangemen killed in Newtownhamilton on Monday.

Four of the victims were buried to-day. Workers in some Ulster factories downed tools

Thousands of shipyard and aircraft workers in Belfast attended a mass meeting at which trade union leaders alleged that the British Government was discriminating against Northern Ireland industry and causing division and dissension.

THE LEX COLUMN

Impact of current cost accounts

The concept of a profit, according to the Sandilands Report, is "a practical business issue." So the Current Cost Accounting system the Committee has come up with is an excellent proposition for practical businessmen in manufacturing companies. But it is hard to avoid the conclusion that the proposals are more attractive to managers than they are to shareholders. The Committee has given short shrift to the CPP method of the accountants which took as its starting point the maintenance of the purchasing power of shareholders' capital.

Nevertheless, the Report ought to have positive implications for equities in the medium term, so long as companies are willing and able to take action to correct inadequate margins. The recommendation that profit margin control should go over to a current cost basis is crucial here. The logic is that the worse the figures come out, the better the chance companies have of improving their real margins against political resistance.

That, however, itself poses a short term hurdle for equities to jump. Earnings on the CC basis, in present conditions, are likely to come out lower than either the historic cost or the *supplementary CPP figures*. Estimates rushed out by Phillips and Drew show that the brewers, whose pre-tax profits under CPP treatment rise by 47 per cent., instead fall *by 40 per cent. under CC.* Instead of the 147 per cent. jump indicated by CPP, entertainment sector profits are halved by the Sandilands treatment. And real losses are *indicated for oils and motors* (with Lucas, for instance, firmly in the red).

In contrast, bank profits emerge almost unscathed—but paradoxically this is far from being a bull factor since it means that banks are not to get any relief from this Report. Stocks of money are still not to get the same advantages as stocks of goods, so the financial sector is to get no help in grappling with the problem of eroded capital ratios.

At least the Committee, contrary to some fears, has not thought it necessary to come up with any new corporate tax burden to replace the concessions which have already been made on stock *appreciation*. But it is a major defect of the Report that the longer term tax problems have been left unsolved. Under the proposed system, in conditions of continuing inflation, *companies will pile* up a mountain of deferred tax in their balance sheets. This reflects the way that realised holding gains will remain taxable even if due only to general inflation.

The Committee, apparently, does not feel able to recommend the indexation of capital gains tax liabilities for companies when such a concession has been refused to the personal sector. And perhaps it does not matter too much from the manager's point of view whether a firm's capital is supplied by the shareholders or by the Inland Revenue. Nor will it have any effect on the dividend paying potential—but it will make it very expensive for a firm to get smaller, let alone go into liquidation.

Index rose 8.4 to 329.3

ICI

The 30-share index—up 4.7 before the ICI results—closed 8.4 points *higher following* second quarter profits of £78m. pre-tax and grants, compared with £80m. in the first three months. The U.K. has continued to be relatively strong, but exports are well down again with the first half total 12 per cent. lower than a year ago, and the sales of overseas companies are now 7 per cent. below the peak figure in the third quarter of 1974. The fibres and plastics interests are blamed in particular and the group has been losing money in these areas on the Continent. The fertiliser, *pharmaceutical and general* chemical sides — together accounting for two-fifths of last year's trading profits — have held up quite well, however.

The overall trading pattern has continued flat since the end of June in the U.K., while overseas there are no signs of any improvement yet in Continental fibres and plastics and ICI is cautious about the recent signs of an upturn in U.S. fibres. The second half will bear the impact of a big U.K. wage rise about £60m. in the ... not wholly recoverable ... of competitive press... there may be a ... *from* the decline in ... since June—at current rates worth possibly £10m. and £20m. On ... hope that profits are far off, the bottom of *supports targets of* £320m. (against £455m and grants for the y... yesterday, the shares well behind in the ... before rising 15p to *night for a prospect* 7.5. Incidentally, a C... ment would cut the half-year profits by £... a loss of £2m. in th... quarter—ICI ... doubts about this ... the 1974 report.

See also Page

BP

BP's net cash flow ... £145m. after six mont... has spent about £400m assets so far. But ... capital levels seem to control, net cash ... where it stood last ... and debt does not ... much more than ... capital employed. ... spending is covered until the end of 1976 North Sea. ... financing next year balance sheet can ... itself, which is all ... matters in a year ... long been written off point of view of earn...

For the record, the ... come up with £37.5m second quarter agains... *in the first: unlike Sh...* that currency gains make that much diffe... the latest period. The trend is still declining a fifth to date ... minorities credit has in the second quarter ing that France is ... rough a time as Germ... earnings targets ... where in the region a share, and the uncert... of the Bank's shareho... not stopped the sha... substantially outperfor... market over the ... months. They rose 3p yesterday.

See also page

Burmah group to build £125m. chemical plant in Poland

BY RAY DAFTER

PETROCARBON Developments, part of the Burmah Group, has *signed a record £125m. contract* to build a chemical complex in Poland.

The project is a PVC plastics unit to be built for the Polimex-Cekop group and most of the equipment will be manufactured in the U.K.

Mr. Peter Shore, Secretary of State for Trade, was present when the contract was signed in London yesterday. Petrocarbon will be the main contractors and will provide *overall project management*, together with design and procurement of the off-site equipment, procurement of the PVC plant equipment and overall site management.

As a result, the contract is *being heralded as the first fully* "turnkey" project in Eastern Europe to be awarded to a British company. Burmah said it was also believed to be the largest U.K export contract ever negotiated for a chemical complex.

The fact that most of the equipment for the plant will be manufactured in the U.K. is particularly important at a time when equipment manufacturers *and fabricators have been feel*ing the impact of inflation.

The Polish contract calls for a fixed price on the engineering work only, however. The procurement of equipment will be subject to some degree of cost *escalation allowance*.

The major part of the U.K. credit for the deal is being organised under Export Credit *Guarantee Department financial* guarantee with additional Euro-dollar credit facilities by Lloyds Bank.

It is also possible that under a buy-back arrangement the U.K. chemical industry will import some of the PVC from Poland. The plant, which is expected to take three years to complete, will produce 200,000 tons of PVC annually, as well as large quantities of caustic soda and various *solvents. It is unlikely that the* Polish market will be able to absorb all this additional product, at least in the early years.

The main sub-contractors involved will be two U.K. companies, Davy Powergas and Catalytic International, part of the Air Products and Chemicals Group, plus Shin-Etsu of Japan. Davy will be responsible for engineering, equipment procurement and construction supervision of plants to produce vinyl chloride monomer (the PVC feedstock) and solvents and for incineration of waste chlorinated hydrocarbons.

Catalytic will be responsible for engineering, equipment and *materials procurement and con*struction supervision of a chlor-alkali plant. Shin-Etsu will take charge of engineering and construction supervision of the PVC plant.

Mr. Stanley Wilson, managing *director of the Burmah Group*, commented that the major contract was not only important to the companies involved but to a *great number of equipment* suppliers over a wide area of British industry.

It is estimated, for example, that the contract is worth about £8m. to Petrocarbon in terms of direct engineering fees; Davy will receive £7m. worth of business and Catalytic £5m.

The contract is by far the biggest ever won by Petrocarbon. Indeed, it is likely that 60 per cent. of its engineering effort will be directed to the project.

Linked with the venture is the establishment of a new Anglo-Polish group set up by Burmah and Polimex-Cekop, the Polish state import and export company for chemical plant and equipment. Called the British-Polish Engineering Company it will be based in Manchester.

Initially it will procure equipment for the new PVC plant but later it is expected to provide a new channel for the development of further trade between the two countries.

The new company, and the process plant contract itself, reflect a new emphasis of busi*ness co-operation between the* U.K. and Poland. At another London ceremony yesterday Mr. Jerzy Olszewski, the Polish Minister of Foreign Trade and Shipping, signed an agreement for a programme of developing *trade between the two countries*.

David Lascelles, Page 6

U.S., Russia miss Sinai signing

BY DAVID EGLI — GENEVA, Sept. 4.

RUSSIAN DISAPPROVAL of the terms of the new interim agreement between Israel and Egypt was underlined here to-day by the Soviet decision to boycott the formal signing ceremony held under the auspices of the Middle-East peace conference.

Since the Soviet Union and the U.S. are co-chairmen of the conference, the decision not to attend, conveyed through the Secretary-General of the United Nations, has resulted in the withdrawal of American participation as well.

Mr. A. Atherton, U.S. Assistant Secretary of State for Middle East affairs, was designated by Dr. Kissinger to attend as an observer, but, only hours before the ceremony, American spokesmen were authorised to state that he was not planning to be present.

Earlier, Mr. Atherton handed to UN officials the documents which were to be signed by Israeli and Egyptian representatives. He also held meetings with both delegations during the day.

The Russian objections are believed to centre around Article Four of the agreement which provides for the presence of up to 200 American civilian personnel in the key Mitla and Giddi Pass area to man tactical early warning watch stations between the opposing forces.

This role would in principle continue for the duration of the interim agreement, and it is understood that the Soviet Union objects to the new American presence in the area. So far, however, there has been no direct comment on this aspect of agreement from Moscow.

The absence of the U.S. and the Soviet Union from the ceremony does not appear, however, to have repercussions on the status of the agreement.

The commander of the UN emergency force, Lt.-Gen. Ensio Siilasvuo, presided over the meeting, and there will be a continued UN presence in the military working group when it meets.

The leader of the Israeli delegation for the signature is Mr. Mordecai Gazith, director-*general of* the Israeli Prime Minister's office. With him, on the army side, is Mr Herzl Shafir, head of the Israeli General Staff.

On another table set out for the ceremony, and separated from the Israelis by the UN observers, the Egyptian delegation is headed by Major General Taha El Magboub.

In five days representatives of both sides will, according to the terms of the agreement, begin meetings here in the military working group of the Middle East peace conference, to prepare a detailed protocol for the implementation of the agreement. This task has to be completed within two weeks in accordance with guidelines laid down in an annex to the interim agreement.

The working group will have to agree on the stages of the *redeployment of forces*, the turnover of the oil fields and other installations. The process must begin within two weeks of the signature of the protocol and must be completed within eight weeks.

U.S. aid, Page 5

Weather

U.K. TO-DAY

DRY and cloudy after early rain in places.

London, S.W., Cent. S. England, Channel Is.

Cloudy, perhaps drizzle later. Wind W., light. Max. 19C (66F).

E. Anglia, W. Midlands, N.W., Cent., N.E., W. Midlands, Wales

Cloudy, drizzle at first. Bright later. Wind W., moderate. Max. 17C (63F).

Lakes, Borders, Edinburgh, Dundee

Mainly dry. Bright spells. Wind W., moderate. Max. 17C (63F).

Is. of Man, S.W., N.W. Scotland, Glasgow, Cent. Highlands, Argyll, N. Ireland

Bright start. Cloudy later with rain. Wind W., moderate. Max. 15C (59F).

Aberdeen, Moray Firth, N.E. Scotland, Orkney, Shetland

Bright periods. Scattered showers. Wind N.W. to W. moderate. Max. 14C (57F).

Outlook: Mostly dry in S., unsettled in N.

Lighting-up: London 20.10, Manchester 20.22, Glasgow 20.34, Belfast 20.39.

BUSINESS CENTRES

		Y'day mid-day °C	°F			Y'day mid-day °C	°F
Alexandria	F	31	88	Luxembg.	F	20	68
Amstrdm.	S	19	66	Manchstr.	F	17	63
Athens	S	31	88	Melbourne	R	9	48
B. Aires	S	23	73	Milan	S	26	79
Barcelona	F	26	79	Montreal	C	18	64
Bahrain	S	36	96	Moscow	F	22	72
Beirut	C	29	84	Munich	F	21	70
Belfast	C	14	57	Nassau	C	30	87
Belgrade	F	25	77	Newcastle	C	14	57
Berlin	C	21	70	New York	S	23	73
Birmnghm.	C	17	63	Oslo	F	17	63
Bristol	S	18	64	Paris	F	20	68
Brussels	C	18	64	Perth	F	20	68
Budapest	F	24	75	Prague	S	23	73
Cairo	S	34	93	Reykjavik	S	11	52
Cardiff	F	18	64	Rio de J'o	S	24	75
Cologne	F	19	66	Rome	S	25	77
Copnhagn.	F	17	63	Singapore	S	31	87
Dublin	C	16	61	Stockholm	C	18	64
Edinb'gh	C	16	61	Strasbourg	C	21	70
Frankfurt	F	16	61	Sydney	C	15	59
Geneva	S	21	70	Tehran	S	31	87
Glasgow	C	14	57	Tel Aviv	S	29	84
Helsinki	R	18	64	Tokyo	C	31	88
H. Kong	S	29	84	Toronto	C	19	67
Jo'burg	C	26	80	Vienna	S	24	75
Lisbon	F	24	75	Warsaw	F	27	81
London	S	20	68	Zurich	S	21	70

HOLIDAY RESORTS

		Y'day mid-day °C	°F			Y'day mid-day °C	°F
Ajaccio	S	24	75	Jersey	S	17	63
Algiers	S	30	86	Las Plms.	S	25	77
Biarritz	F	23	73	Locarno	F	23	73
Blackpool	F	16	61	Madrid	F	25	77
Bordeaux	S	25	77	Majorca	S	28	82
Boulogne	C	17	63	Malaga	S	29	84
Cape Town	S	21	70	Malta	S	27	81
Casablnca.	S	24	75	Mexico C.	S	19	66
Corfu	F	24	75	Nairobi	S	20	68
Dubrovnik	C	21	70	Naples	F	24	75
Faro	F	24	75	Nice	S	23	73
Florence	F	24	75	Oporto	C	20	68
Funchal	C	21	70	Rhodes	S	28	82
Gibraltar	S	26	79	Salzburg	S	20	68
Guernsey	F	20	68	Tangier	S	23	73
Innsbruck	F	23	73	Tenerife	S	22	72
Inverness	C	14	57	Tunis	S	26	79
I. of Man	C	15	59	Valencia	C	28	82
Istanbul	F	26	79	Venice	S	27	81

S—Sunny. F—Fair. C—Cloudy. R—Rain.

Continued from Page 1

Council spending

recreation facilities. Some anti-pollution measures may need to be curtailed.

● **Housing:** Rents are expected to rise from next spring by an average of 60p a week. The Government has already announced it will pay a special element of housing subsidy in 1976-77 to reduce the amount of the rate fund contribution to *housing revenue accounts*.

● **Education:** A standstill on all improvements of standards. "Only by strict economy and planning will it be possible to avoid reductions of standards."

With a forecast rise in the *school population of 23,000 next* year, the circular says the first priority should be to maintain staffing ratios for pupils within the compulsory age range, although authorities with a falling population, mainly large urban areas, should reduce their staff. Staff should not be uneconomically used with unduly small groups of pupils.

In higher education, firmer steps should be taken to tighten staffing ratios.

Four-year-old children should not be admitted to infant classes unless they made no extra call on resources.

Material standards and upkeep of premises must remain below *the level recently accepted as* desirable.

No scope for increased expenditure on the rest of the service—including youth, recreation and community services, fees to independent and direct grant schools, maintenance or other allowances for individual pupils or in the libraries and museum services.

● **Home Office Services:** Stringent economy on all goods and services will be necessary. Manpower increases will have to be limited to the recruitment of police up to authorised establishments and the planned increase in the probation and after-care services. Police authorities have been asked to reduce civilian staff by natural wastage.

● **Personal Social Services:** Authorities are advised not to cut the effectiveness of their field and domiciliary services or curtail the urgent expansion of *specialised residential* provision for children.

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